



# Bosnian Serb Leader Won't Aid War Crimes Tribunal

**LONDON** — The Bosnian Serb leader, Radovan Karadzic, said Wednesday that he would refuse to cooperate with a newly created United Nations war crimes tribunal for the former Yugoslavia.

"Absolutely not," Mr. Karadzic said in a British television interview, when asked whether he would cooperate with the new court.

The UN Security Council adopted a resolution on Tuesday night creating an international tribunal to prosecute those responsible for war crimes in Bosnia-Herzegovina and other former Yugoslav republics.

Mr. Karadzic, who has been branded a war criminal by the international community, said that all war crimes should be considered under a 1945 international

convention rather than singling out alleged culprits from the former Yugoslavia.

The creation of a special tribunal, he said, "looks like revenge against Yugoslav people and this is very bad for the credibility of the international judiciary."

Mr. Karadzic added that his self-declared Bosnian Serb republic in Bosnia had not been recognized by the United Nations and until it was all alleged criminals would be dealt with by "our own national judiciary."

The UN tribunal, to be based at The Hague, is the first international court empowered to try crimes against humanity since the Nuremberg trials of Nazis after World War II.

Establishing the tribunal was the first item in an international joint action plan on the Bosnian war

adopted Saturday by the United States, Russia, France, Britain and Spain. These nations pressed for Tuesday night's vote after negotiating through an array of amendments sought by the five nonaligned members of the Security Council.

"To those who committed these heinous crimes, we have a very clear message: war criminals will be prosecuted, and justice will be rendered," said the U.S. representative, Madeleine K. Albright, after the unanimous council vote.

**■ Opposition to Enclaves Plan**

Bosnia's Muslim president, Alija Izetbegovic, stood firm Wednesday in rejecting the new U.S.-supported peace initiative, asserting it failed to do anything about Serbian aggression. The Associated Press reported from Sarajevo, the Bosnian capital.

The joint action plan aims to set up six safe areas for Bosnian Muslims in enclaves currently besieged by Serbian rebels.

The mainly Muslim Bosnian government and others fear the plan will force the republic's largest ethnic group into ghettos, dependent on international protection and humanitarian aid for survival.

On Wednesday, the chief UN negotiator, Thorvald Stoltenberg, met with Mr. Izetbegovic to try and ease those fears. He clearly failed.

Mr. Izetbegovic said afterward that the plan had "three bad aspects," citing the lack of guarantees for safe passage of aid; no provisions for stopping Serbian aggression, and no time frame for the Serbs to relinquish land.

## WORLD BRIEFS

### Andreotti Named in Murder Inquiry

**ROME (Reuters)** — Former Prime Minister Giulio Andreotti is under investigation in connection with the 1979 murder of an Italian journalist, who a Mafia informer alleges was shot as a favor to the politician, state television channels reported Wednesday.

The reports said Mr. Andreotti, who was prime minister at the time of the killing, was on a list of those under investigation in the slaying of the journalist, Mino Pecorelli, on March 20, 1979.

Mr. Andreotti was placed on the list after volunteering evidence Tuesday to the Rome magistrates who have reopened investigations into the murder. Last month, a Mafia informer, Tommaso Buscetta, told Sicilian magistrates that Mr. Andreotti had asked for Mr. Pecorelli to be murdered, fearing that the journalist might discover secrets about the 1978 murder of former Prime Minister Aldo Moro.

### Republics Back Yeltsin Charter Draft

**MOSCOW (Reuters)** — President Boris N. Yeltsin's aides claimed an important victory Wednesday as leaders of Russia's powerful ethnic republics agreed to use the president's draft proposals as the basis for discussion on a new constitution.

The republic leaders formally endorsed Mr. Yeltsin's plan for a special assembly at the Kremlin on June 5 to finalize a new constitution aimed at breaking Russia's political deadlock.

The presidential spokesman, Vyacheslav Kostikov, said that Mr. Yeltsin had also won a "gentlemen's agreement" from the 20 republics to take his draft as the basis for discussion. "Nobody voted against it," Mr. Kostikov said. "I think the president scored a big victory today."

### Peace Plan Set in Nagorno-Karabakh

**MOSCOW (NYT)** — Armenia and Azerbaijan agreed Wednesday to a peace initiative brokered by the United States, Russia and Turkey that would end five years of fighting over Nagorno-Karabakh.

If it holds, the peace plan would end a war that has taken more than 3,000 lives and confounded international negotiators for years. Nagorno-Karabakh is a small Armenian-populated enclave within Azerbaijan.

Casting doubt on the initiative's viability, the defense chief of Nagorno-Karabakh, Robert Kocharyan, rejected the agreement. But both Armenia and Azerbaijan, the principal parties in the conflict, pledged to support the peace plan, which calls for Armenian withdrawal from recently conquered Azerbaijani territory.

### Bonn Delays Move of Government

**BONN (AP)** — The government in Bonn, in a cost-cutting move, has decided to postpone its move to the capital, Berlin, until after the turn of the century, German news organizations reported Wednesday.

Finance Minister Theo Waigel hopes to cut 1 billion Deutsche marks (\$614 million) from the federal budget by postponing the start of construction of government offices in Berlin, the Bild-Zeitung said.

It said the postponement was part of a Finance Ministry plan to cut spending by 60 billion DM by 1996. ARD television reported later that ministry officials had confirmed the report. After reunification in October 1990, the government pushed through legislation to move its main operations to Berlin, citing 2000 as a hoped-for date of completion.

### U.S. Inspection Offer to North Korea

**WASHINGTON (AP)** — The United States is prepared to offer concessions if North Korea opens its nuclear plants to international inspectors — including possible North Korean inspections of U.S. bases in South Korea, a senior State Department official said Wednesday.

Robert L. Gallucci, assistant secretary of state for politico-military affairs, made his comments before a Senate panel to signal U.S. goodwill before talks next week with North Korean delegates at the United Nations.

Mr. Gallucci said his first priority would be to get North Korea to rescind its March 12 announcement that it was withdrawing from the Nuclear Nonproliferation Treaty. The decision goes into effect June 12 and could serve as a precedent for other countries to withdraw.

## Clinton Stand: 'Right for Americans'

**WASHINGTON** — Secretary of State Warren M. Christopher says the new administration policy on Bosnia-Herzegovina is "what's right for the American people."

"Beyond the Congress and outside the Beltway," he said, referring to the ring road surrounding Washington, "I feel real support from the American people for what we're doing."

"I think they want us to have a humanitarian concern, but I don't think they want us to take this problem on by ourselves."

"I know there's a drumfire of

trying to indicate that we haven't quite lived up to American responsibilities," Mr. Christopher said in a television interview. "But I think we have; I think we're doing what's right for the American people."

In a new approach to the bloodshed in the former Yugoslavia, the United States agreed last week to join Britain, France, Russia and Spain in a strategy for containing the Bosnian civil war.

The new approach calls for six "safe havens" to be established for the Muslims and protected by United Nations troops.

The plan was welcomed by Bos-

nian Serbs, who have been identified by the international community as the main aggressors, but denounced as a betrayal by the Muslims, the main victims.

"In this kind of a situation, a humanitarian crisis a long way from home, in the middle of another continent, I think that our actions here are proportionate to what our responsibilities are," Mr. Christopher said.

He said that the United States still held "in reserve" a revival of its previous goals of lifting the arms embargo and using air strikes to protect Muslims. (Reuters, AP)



The UN special envoy, Thorvald Stoltenberg, left, being greeted upon his arrival in Sarajevo on Wednesday by General Philippe Morillon, the UN commander. Mr. Stoltenberg held talks with the Bosnian president, Alija Izetbegovic, but failed to sway him on accepting the latest peace initiative.

## U.S. POLICY: Top Official Foresees a Lesser Role

**Continued from Page 1**

to the more limited exercise of U.S. power characteristic of the Carter administration. The official served in a high-ranking State Department position during the Carter years from 1977 through 1980.

"Friends of the United States have had difficulty understanding how much has changed in the U.S. after the Cold War," the official said.

He acknowledged that the self-imposed limitations could result in policy "that may on occasion fall short of what some Americans would like and others might hope for."

The official stressed that there would be situations so central to U.S. security that the United States would feel it necessary to intervene without its allies. But he said that unlike the Cold War, when Washington paid lip service to the notion of collective security, the new administration really believes in that concept.

"The approach is difficult for our friends to understand," he said. "It's not different by accident, it's different by design."

The United States faces the threat of "middleweight powers" in contrast to the heavyweight rival-

ries of the Cold War era, the official explained. Fearing these, he suggested, would also be difficult, given the lack of national resources and will.

"We simply don't have the leverage, we don't have the influence, the inclination to use military force," he said. "We don't have the money to bring positive results any time soon."

Asked repeatedly about the course of U.S. policy toward Bosnia, his responses indicated that even there have transformed the former Yugoslav republic into a kind of laboratory for this new approach to international crisis management.

Describing Mr. Christopher's pivotal trip to Europe earlier this month, which was billed at the time as intended to rally support for military action against Bosnian Serb forces, the official said Mr. Christopher's purpose was not to sell the president's military plan but to gather European ideas.

On the eve of the trip, Mr. Clinton decided on a package of steps to even the balance between Bosnian Serbs and Muslims. The plan involved helping to arm the Muslims while holding Serbian forces at bay with U.S. air power. Mr. Christopher traveled to Moscow and

several capitals in Western Europe to discuss the package.

"People were genuinely disarmed by the fact that he was there to consult," the official said of Mr. Christopher's efforts.

"He did not have a blueprint in his back pocket," the official said. "He had some things we favored."

Part of Mr. Christopher's goal was to set limits on American involvement, the official said.

Mr. Christopher encountered resistance from Russia and major European states to the Clinton plan, which the administration then put aside. Last week, the administration signed on to a European-Russian plan, which is centered on the establishment of United Nations-declared safe enclaves for besieged Muslims. The United States has agreed to use air power to protect the international troops that will be guarding the havens.

The official said he understood the bitter criticism that has been directed at these decisions by the Bosnian Muslims and their sympathizers in Islamic countries. "Any of us involved in this have to feel pain and sympathy," he said.

The official also spoke approvingly of the administration's performance in several other foreign policy areas. He said Washington had managed to restart the Middle East peace talks and had provided important financial support to President Boris N. Yeltsin's reformist government.

He said Mr. Clinton was still wrestling with how to maintain sound relations with China while expressing concern and hope for change in China's approach to human rights, trade with the United States and high-technology arms sales abroad.

A decision by Mr. Clinton on whether to renew for another year China's favored trade status with the United States is due by June 3. Administration officials say Mr. Clinton will place conditions on future annual renewal in order to force progress on the issues of concern to the United States.

## NATO: Ministers Fail to Endorse Bosnia Enclave Plan

**Continued from Page 1**

definition of the enclaves of the Bosnian Muslims and the mission of those defending them remains far too vague, while the fact that Bosnia's Muslim president, Alija Izetbegovic, has rejected the proposal has not been addressed.

"There are a lot of questions about the safe havens," said the NATO secretary-general, Manfred Wörner. "What does safe mean? Who defends whom? What are the rules of engagement? Where is the connection to the next step — that of withdrawing Serbian forces? What weapons may be used?"

He added that these and other problems would have to be addressed by the United Nations, which might then pass a resolution asking the North Atlantic Treaty Organization to help carry out the plan. In that case, Mr. Wörner said, NATO would probably look favorably on the requests.

Mr. Aspin said he believed not one but several UN resolutions would be required to flesh out and back the plan to protect Bosnia's Muslims. But Mr. Aspin declined to give a time frame for this proposed new barrage of resolutions or specify what the Clinton administration thought should be in them. It therefore appeared likely that several weeks will pass before the

plan is applied on the ground. But Mr. Aspin insisted, "I believe the plan will be implemented."

Some NATO military experts here estimated that as many as 40,000 troops may be needed to protect the proposed Muslim enclaves. But Mr. Aspin reiterated that the United States had no intention of involving its troops on the ground in Bosnia, adding, "We don't know how many troops will be needed because we don't know how the safe havens will work."

Up to now, NATO forces have been involved in the former Yugoslavia only in enforcing a naval blockade in the Adriatic and an air exclusion zone over Bosnia. Mr. Wörner, apparently irked by criticism of NATO for the alliance's limited actions up to now, said repeatedly that the United Nations had led the way on the former Yugoslavia.

"To be active, we need a specific mandate," he said, adding, "I would have wished for the international community to handle this more efficiently."

Mr. Aspin said repeatedly that the decision to pursue a course that places a priority on stopping the killing, rather than reversing Serbian gains through a political settlement, did not mean that the Vance-Owen peace plan was dead or

indeed that an option of military strikes had been definitely abandoned.

The Vance-Owen plan, devised by the international mediators Cyrus R. Vance and Lord Owen, would divide Bosnia into 10 semi-autonomous regions under a weak central government. It has been rejected by the Bosnian Serbs.

"Just because you're moving down one path does not mean that you've abandoned another path," Mr. Aspin said referring to the current approach of putting the Vance-Owen plan on hold while seeking to stop the fighting.

But behind the verbal acrobatics of both Mr. Aspin and Mr. Wörner, it was clear that further indecision, division and dithering are the order of the day.

"Working together is a new climate," Mr. Aspin said. "The Serbs cannot any longer rely on divisions between Russians, Europeans and Americans meaning no action."

But Mr. Aspin did not address the question, privately posed by several delegations, of whether working together had, in effect, meant opting for the lowest common denominator; that is, trying to freeze the situation on the ground as a first step toward nebulous political goals.

## KOSOVO: Specter of War Worse Than Anything Yet

**Continued from Page 1**

30,000 soldiers and 25,000 heavily armed police officers.

Asked about reports of suggestions from U.S. leaders including the Senate Republican leader, Bob Dole of Kansas, that the United States should send a military force to ensure that the war does not spread in Kosovo and draw in first Albania and later other neighboring countries. Major General Milovan Bojovic, the commander of the military corps in Pristina, said the idea was "strange."

"We are prepared, whoever the enemy could be, and we are afraid of nobody," he said. General Bojovic was one of a score of Serbian officials who met with foreign and Yugoslav journalists in Pristina during a two-day trip organized by the Serbian authorities that included a demonstration of army training on a military base.

Alijuz Duka, who runs the only Albanian-language radio program tolerated by the Serbian authorities, said: "If the tragedy we are seeing in Bosnia-Herzegovina spreads here, it would be a calamity for the Albanian people."

Mr. Rugova did not dispute the basic point that instigating violence in Kosovo would be a catastrophe. That, he said, is why the Albanian majority has been so careful not



to provoke it. "Serbia allows us to function because they know we won't give up," he said when asked why he was permitted to make speeches and hold news conferences despite what amounts to martial law. "Maybe they are saving us for the end, but peaceful resistance is our contribution to the crisis in the Balkans."

The resistance is widespread, although the Serbian authorities insisted that the outside world has exaggerated its extent and its effectiveness.

Under the 1974 Yugoslav Constitution, Kosovo had wide powers of self-rule as an autonomous province in the republic of Serbia. Local people were given control over most aspects of public life.

But in 1989, President Slobodan Milosevic of Serbia revoked Kosovo's autonomy, dissolved the local parliament and turned the region into an integral part of the republic.

The Albanian majority says the province's schools and universities were closed to them after autonomy was abolished. Serbian authorities insist that the schools and the university are open, but that Albanian children and teachers refuse to attend.

Albanian political leaders in Kosovo say they have organized underground schooling, and even university studies, along Albanian lines, and that classes are held in garages, barns and other temporary locations.

The Albanians have held elec-

## GERMANS: Rescinding Asylum

**Continued from Page 1**

Europe's asylum-seekers. This decision is crucial for the internal peace in our country."

Germany has accepted more refugees from the war in the former Yugoslavia than all other countries combined. But it has no immigration program other than for ethnic Germans; the only way most foreigners can become German residents is to be granted political asylum. Although only about 4 percent of asylum-seekers win the right to stay in Germany, it often takes years to process their cases, and even those who lose often manage to remain illegally.

Referring to Thomas Mann, Albert Einstein, Bertolt Brecht and Marlene Dietrich, as well as "many other Germans who were granted asylum," Konrad Weiss, a leader of Alliance 90, one of two small East German parties that were the only ones to oppose the new law, said: "We have an obligation to their memories."

"Our new law, expressed in good German, says, 'The politically oppressed enjoy the right to asylum, but not in Germany,'" he said.

The new law is to take effect July 1, after it wins expected unanimous assent from the parliament's upper house on Friday. The lawmakers also voted to allow officials to reject refugees immediately on their arrival from countries deemed safe and to make it easier for Germany to deport asylum-seekers. Also, the Bundestag voted to cut benefits for asylum-seekers — now set at \$250 a month for a family of four — by 25 percent.

To be present for the debate on Wednesday, legislators had to battle their way through barricades thrown up by protesters, about 2,000 of whom wore the black hoods of the autonomes, Germa-

ny's loosely organized bands of anarchist youth.

What government officials called the largest show of police force since Bonn's history could not prevent protesters from shutting off the city's main street, halting public transit and preventing thousands of government workers from reaching their offices.

But the police did get the legislators to work, shattering 260 of them on Rhine River ferries and flying in 130 more by helicopter.

On Bonn's main street, protesters assaulted several policemen, smashed shop windows and shoved several old women to the sidewalk when they attempted to walk through the human barricade. Thirteen policemen were injured, the police said.

Later, riot police pounded several hundred demonstrators with riot sticks after the anarchists fired flare pistols, threw bottles and chanted, "Where were you in Kosovo?" In that East German city last August, German police retreated from the scene of anti-foreigner rioting.

### Delay on French Bill

The French cabinet postponed discussion on Wednesday of a bill to place new restrictions on the entry of foreigners amid reports of misgivings by a state administrative watchdog, Reuters reported from Paris.

France's Roman Catholic and Protestant churches, as well as civil rights groups, have criticized the government's efforts to clamp down on immigration.

Interior Minister Charles Pasqua said the cabinet deliberation had been postponed for a week because the advisory Council of State, which ensures that draft legislation conforms to the constitution, had not finished examining the bill.

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Mr. JOHN R. HOYNE  
Born February 8, 1938,  
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in Paris. Beloved husband of  
Eugenia (née Gladstone), father  
of Margaret Brown, Moin  
Conlon, John, James and  
Matthew Hoyne, Ruth Dalzell,  
Eugenia and Luke  
Hoyne-Grandfather of John  
Dalzell and Megan Brown.  
Funeral mass at Saint Joseph's  
church, 50, Ave. Hoche Paris,  
at 8 p.m. Thursday, May 27.  
Also at Our Lady of Mount  
Carmel, Santa Barbara, California  
at 11 a.m. Monday, May 31.  
May be rest in peace.

# STATESIDE / 'THE ARKANSAS WAY'

## ★ POLITICAL NOTES ★

### Deepening Tempest Batters Rights Nominee

WASHINGTON — President Bill Clinton's controversial nomination of a law professor, C. Lani Guinier, as assistant attorney general for civil rights threatens to add the incendiary issue of race to the fight between liberals and moderates over his administration's direction.

Moderate elements of the Democratic coalition are joining Republicans in raising objections about legal writings in which Ms. Guinier appears to assert that fairness to racial minorities may require dramatic departures from majority rule in legislative bodies.

Groups representing minorities are promising an aggressive defense. But these rapidly polarizing views not only foretell a turbulent time for the University of Pennsylvania law professor when the Senate Judiciary Committee takes up her nomination, but also more broadly suggest the opening of a new front in the battle over the administration's course.

Already, the Guinier nomination has provoked a rare public split between Mr. Clinton and the Democratic Leadership Council, the organization of centrist Democrats that the president headed until he announced his candidacy in 1991.

Ms. Guinier, who attended law school with Mr. Clinton and his wife, Hillary, has written that "the goal" of anti-discrimination policies should be "roughly equal outcomes, not merely an apparently fair process."

"Accordingly, substantive equality should be measured by equality in fact," she wrote in 1989. "The process must be equal, but the results must also reflect the effort to remedy the effects of a century of official discrimination."

One of Ms. Guinier's principal responsibilities in the Justice Department would be enforcement of the Voting Rights Act, and in her writings she has proposed expanding the act's application to apply a results-oriented racial test to the outcome of legislative deliberations.

In a 1991 article, she contended that even without evidence of discriminatory intent, racially polarized voting in a legislative body "that leads predictably to minority losses" violates existing voting rights laws.

Ms. Guinier proposed that courts might require legislative bodies with such a history of racially polarized voting to give minority representatives a veto over "legislation of vital importance to minority interests" or establish rules that would allow legislation to pass only if it receives the votes of most minority representatives, as well as a majority of the entire legislature. (LAT)

### Clinton Doesn't Neglect His Makeup, Either

WASHINGTON — As further evidence of Mr. Clinton's preoccupation with personal grooming, the White House embarrassed a New Hampshire TV anchorwoman over the weekend when a Clinton aide asked her to apply the president's makeup before she interviewed him.

Jack Heath, vice president for news at WMUR-TV in Manchester, New Hampshire, said that his only question for White House officials was, "Would they have asked my male anchor or Brit Hume to put on the makeup?" Mr. Hume is an ABC correspondent.

The anchorwoman, Nanette Hansen, applied the makeup to Mr. Clinton's face, but she was so "uncomfortable" about it that she mentioned the episode during a newscast later that evening.

"I'm a reporter who was assigned to a very big story," Miss Hansen, 33, said. "My job is to report the events of the day," she added. "The White House made me a part of the story."

Two hours before the interview in Manchester, Miss Hansen said, she was told by a Clinton press aide that she would be responsible for the president's makeup. After much discussion, she said, she reluctantly agreed to apply the makeup.

Miss Hansen said that Jeff Eller, the White House media affairs director, called her and essentially apologized. He also described the matter as "a misunderstanding." (WP)

### Senate Battle Opens on Campaign Funding

WASHINGTON — The Senate began what is expected to be a long battle over campaign finance legislation by killing a proposal to limit individual contributions to \$100 every two years, down from the current limit of \$1,000 for a primary and a further \$1,000 for a general election. The amendment, offered by Senator Paul Wellstone, a freshman Democrat from Minnesota, was defeated by a vote of 84 to 13. (NYT)

### Quote / Unquote

Representative Lamar S. Smith, Republican of Texas, in introducing legislation to tie the rate of legal immigration to the nation's unemployment rate: "Not cutting immigration when you've got high unemployment is like leaving the faucet on when the drain is clogged." (AP)

## Perot Dumps on Clinton as a 'Starstruck' Neophyte

By Dan Balz  
Washington Post Service

WASHINGTON — In a blistering critique of the administration, Ross Perot said President Bill Clinton was so poorly prepared for the presidency that "you wouldn't consider giving him a job anywhere above middle management" if he applied for a position in private industry.

"What we have here is a person who does not have the background or the experience for the most difficult job in the world," Mr. Perot said in an interview with David Frost that was released Wednesday and that will be aired on public television in the United States on Friday night.

The Texas billionaire said Mr. Clinton's \$200 haircut and the White House travel office controversy showed that the president was starstruck with Hollywood, out of touch with average Americans and trying

to do business "the Arkansas way." Mr. Perot also accused the White House of sending out "young kids" to rationalize the administration's mistakes.

Mr. Perot was as coy as ever with Mr. Frost about his own remedies and his political ambitions. But he refused to rule out a run for the presidency in 1996 and said he would consider seeking the nomination of one of the major political parties if members of his United We Stand, America "thought it was the right thing."

Mr. Clinton tried to brush off Mr. Perot's criticism. "We know he doesn't like my state. He spent several million dollars to badmouth it last year," Mr. Clinton told reporters at a White House photo opportunity, referring to one of Mr. Perot's campaign commercials last autumn. "But that doesn't have much to do with America. We're going to just keep working."

Asked how he would deal with Mr. Perot's attacks, Mr. Clinton shot back, "You deal with it."

However, personal his attacks have become, Mr. Perot's criticism is symbolic of a larger problem for the administration, which is that Mr. Clinton's opponents feel increasingly emboldened in challenging a president whose popularity with the voters has plummeted over the past two months.

The interview with Mr. Frost came in a week when the president's job approval ratings turned negative in two national polls, while a survey of California voters found Mr. Clinton in deep political trouble in his most important state.

An ABC News poll conducted May 20 to 23 found that 46 percent approve of the way Mr. Clinton is performing, compared with 48 percent who disapprove. A Gallup poll for CNN and USA Today conducted

May 21 to 23 produced an almost identical result: 44 percent approve, 46 percent disapprove.

In California, the Field poll found that 31 percent of voters there rated Mr. Clinton's performance as good or excellent, while 57 percent rated it fair and 28 percent said it was either poor or very poor.

Mr. Clinton's plunge is the most rapid on record, according to a Republican analysis. It took Gerald R. Ford, with his pardon of Richard Nixon, six months before his ratings turned negative, while Ronald Reagan and Jimmy Carter didn't suffer their first negative ratings until their second year in office.

The Field poll showed that Mr. Clinton is doing far worse with the public than any of the three previous presidents. At a comparable time in their presidencies, Mr. Reagan had a 64 percent positive rating

and Mr. Carter a 53 percent positive rating, while Mr. Bush, despite a history of problems in California, had a 42 percent positive rating. Mr. Clinton's "poor" or "very poor" rating of 28 percent is 17 points higher than Mr. Bush's at a comparable time in 1989.

Mr. Perot's criticism of Mr. Clinton was across the board. He said Mr. Clinton's proposed deficit trust fund was a "sham," and an attempt "to flummox the American people." He pronounced the health-care reform proposal being put together by Hillary Rodham Clinton as "a disaster sliding down the runway."

Mr. Perot said he had bought 30 minutes of time on television Sunday to rally Americans against the North American Free Trade Agreement, which he said would prompt American companies to relocate their factories in Mexico.



President Clinton walking through an exhibit of American-made cars in Washington.

## Acquittal Fuels Gun Debate In Japanese Student's Killing

By Peter Applebome  
New York Times Service

ATLANTA — The acquittal of Rodney Peairs in the shooting death of a Japanese exchange student is reverberating from radio talk shows to newspaper editorial pages, raising difficult issues of law, justice and race in a nation where there are more than 200 million guns and where 4.2 million new guns are sold each year.

Legal experts say that in cases like those of Mr. Peairs and Bernard Goetz, the New York subway gunman whose case became a cause célèbre in 1984, jurors tend to sympathize with otherwise law-abiding people confronting what they believe is a threat in an increasingly violent society.

"I think it was a fair verdict," said Karl Laverne, a Baton Rouge construction worker who said he owned several guns. "It's unfortunate it happened. But I feel like in the days and times we live in now, when you see someone come to your door, that's the first thing you think of."

The shooting and the trial took place in Baton Rouge, the Louisiana capital.

Legally, the case turned on the right that citizens have virtually anywhere in the United States to use force to protect their homes from perceived threats. But to gun-control groups and many citizens, the case has offered a nightmarish glimpse of the fraying social fabric in an overly armed nation obsessed with crime. They argue that the case is a potent argument for limiting the availability of firearms, which kill 65 people in America every day.

"Thirty years ago no one even locked their doors; now we kill people who come to them," said Melinda G. Bigler, a nanny in Philadelphia. "In England, Japan and China guns are almost nonexistent. Our gun control is way too lax."

The shooting of the exchange student, Yoshihiro Hattori, 16, whom Mr. Peairs mistook for an assailant, is hardly the first ques-

tionable shooting to arouse this kind of attention and emotion.

Besides the incident involving Mr. Goetz, recent cases include a Vermont homeowner's fatal shooting of a teenager who was allegedly trying to steal alcohol from his garage, a Florida businessman's killing of an armed robber with a shotgun after a chase, and a Maryland jeweler's killing of two robbery suspects after a chase.

But, because of the international repercussions and the way a fearful homeowner with a handgun turned a harmless incident into a fatal one, the death of the Japanese student has touched a nerve. The case provided nonstop fodder for talk shows and drew a protest march by *Guardian Angels*, a group of unofficial peacekeepers in New York.

In New Orleans, officials worried that it would harm the booming Japanese tourism business.

Legal experts say the legal issues would have been essentially the same anywhere in the country.

Daniel Polsky, a law professor at Northwestern University, said that in 11 states and under the model penal code used by many jurisdictions, a person does not have the right to use lethal force if he or she is able to escape a threatening situation. Otherwise, the law generally allows people to use lethal force if they believe that they are being threatened with deadly force, which can include murder, rape, kidnapping and other offenses.

But, if the threatening incident takes place in a person's home, the law virtually everywhere allows a person to use lethal force.

According to testimony in the Louisiana killing, the exchange student and a friend terrified Mr. Peairs's wife when they approached her door, mistakenly thinking a Halloween party was to be held there. She screamed for her husband to get his gun. He grabbed a .44 magnum, ordered the student to "freeze" and then shot him as he moved forward brandishing what turned out to be a camera.

The legal issue turned on whether Mr. Peairs could reasonably have felt that his life was in danger.

Under Louisiana law, a killing is justified when a person in a dwelling reasonably believes that deadly force is required to prevent an intruder from entering the premises or to get him to leave.

Many legal experts say Mr. Hattori's action, though clearly harmless in retrospect, could easily be seen by many jurors as sufficient cause for Mr. Peairs to believe his life was in danger.

Still, some experts wonder how aggressively authorities pursued the case. And there were questions about what role the race of the defendant, who is white, and that of the victim, who was Asian, played in the outcome.

Particularly in the South, where gun ownership is often taken for granted, it is extremely difficult to win convictions against citizens who use guns. In the Peairs case, the police originally declined to file charges, then did so after the case generated international criticism.

### Away From Politics

• Girls win only about 35 percent of National Merit Scholarships, even though girls, on average, get better grades in high school and college than boys, according to a new report that raises questions about the fairness of the nation's most prestigious scholarship program. FairTest, an organization striving to keep bias out of standardized tests, said that more than 60 percent of semifinalists in the 1993 competition were boys.

• The Hubble telescope needs so much work that a second repair crew should be sent into space 6 to 12 months after the first finishes its work in December, a panel of experts told the National Aeronautics and Space Administration. Five space walks are planned on an 11-day mission in December to install or replace seven major parts.

• The Magellan spacecraft has begun an 80-day maneuver that will put it in a more circular orbit around Venus. Controllers at NASA's Jet Propulsion Laboratory in Pasadena, California, said the craft was safe after its first pass through the upper Venusian atmosphere.

• A woman gave birth to sextuplets, who were reported in good condition at an Indianapolis hospital after their delivery by Caesarean section. The doctor had expected quintuplets.

• A first effort to learn how much chemical waste the nation creates, conducted by the U.S. government, found that at least 37.8 billion pounds of toxic waste were produced in 1991. Higher amounts are expected to be produced in the future.

• John (No Nose) DiFronzo, the reputed boss of the Chicago mob, and an associate, Donald (Wizard of Odds) Angelini, were sentenced in U.S. District Court in San Diego to more than three years in prison for their roles in a scheme to infiltrate an Indian casino.

• A strong aftershock rumbled through the Alaskan Peninsula and Shumagin Islands, shaking buildings and causing minor damage, the U.S. Geological Survey said. The tremor, which registered 6.2 on the Richter scale, followed a May 13 earthquake in the region that registered 6.9.

## '89 High Court Papers Reveal Civil Rights Retrenchment

By Joan Biskupic  
Washington Post Service

WASHINGTON — In its 1988-'89 term, the Supreme Court made a decisive break with a string of liberal civil rights decisions dating back decades. The newly available papers of the late Justice Thurgood Marshall show how the conservatives, strengthened by President Ronald Reagan's appointments, seized a majority to narrow the scope of job discrimination law.

Memos exchanged among justices, draft opinions and vote tallies now on file in the Library of Congress illuminate key roles played by Justices Antonin Scalia and Anthony M. Kennedy as the court confronted conflicting visions of how America's civil rights laws should be interpreted.

The changes in civil rights law that the conservatives wrought led to a political struggle, and were eventually reversed by Congress in the Civil Rights Act of 1991.

For three decades, since the liberal activism of the Warren era took root, the court had broadly interpreted the Constitution and federal law to protect minorities and the disadvantaged. The 1988-'89 term marked the end of that era, as the justices limited affirmative action, made it harder for workers to prove discrimination and cut back financial remedies for those who could prove bias.

The papers show that Justice William J. Brennan Jr., the tactical powerhouse of the liberal wing for a generation, was trying to stall the conservatives. Writing compelling memos and searching out compromise, Justice Brennan sought to prevent further erosion of the Warren court's legacy. But the Marshall papers show the conservatives were ultimately victorious.

The turn in the court's thinking is illustrated in the files on the deliberations in *Patterson v. McLean Credit Union*, a racial harassment case that conservatives wrestled away from Justice Brennan in the spring of 1989.

The case stemmed from a lawsuit brought by Brenda Patterson, a black woman who had worked as a teller and file clerk at the McLean Credit Union in Winston-Salem, North Carolina. She sued the credit union, alleging that she had been harassed and denied a promotion because of her race.

She brought her case under a post Civil War Era law that says "all persons... have the same right... to make and enforce contracts." The law is known as

Section 1981 because of its place in the statute books, and it was intended to make sure that blacks are as free as whites to engage in business. It had through the years become a significant counterpart to Title VII of the 1964 Civil Rights Act because, unlike that law, it allowed blacks to sue for unlimited financial damages for job discrimination.

A key question in the *Patterson* case was whether that law applied to discrimination — in this case on-the-job harassment — that occurs after someone is hired. The U.S. Court of Appeals for the 4th Circuit had said no.

When the case got to the Supreme Court, Justice Brennan disagreed with the lower court. So did four others — Justice Marshall, Harry A. Blackmun, John Paul Stevens and Justice Kennedy, according to a tally sheet in Justice Marshall's files prepared after oral arguments in October 1988.

Justice Brennan, as the senior justice in the majority, chose to write the opinion.

In his first draft, dated Dec. 3, 1988, and written as if he had at least a five-justice majority, he asserted that Mrs. Patterson had a claim. "Where a black employee demonstrates that she has worked in conditions substantially different from those enjoyed by similarly situated white employees, and can show the necessary racial animus, a jury may infer that the black employee has not been afforded the same right to make an employment contract as white employees."

In January, Justice Byron R. White circulated the first draft of a partial dissent that broke with Justice Brennan on whether racial harassment was covered by the law. Justices Rehnquist and Scalia told Justice White they would join him, according to memos in the papers.

Justice Brennan was still counting on Justice Kennedy.

On April 27, 1989, however, Justice Kennedy circulated a draft dissent of his own, objecting to Justice Brennan's conclusion that racial harassment was covered under the law as a breach of contract. Justices Sandra Day O'Connor and Scalia joined Justice Kennedy.

Justice Brennan did not give up, the files show. He still thought he could keep the majority by putting a spin on Justice Kennedy's approach. He would depart from his first draft by agreeing with him that Mrs. Patterson did not have a racial harassment claim, but

not because the law did not apply to harassment. He would conclude that her claim was barred because she had not made the proper allegations at trial — basically a procedural problem.

Then, he proposed, he would rule for the court that Section 1981 indeed can cover a properly presented racial harassment charge.

Justice Kennedy would not buy it. His second draft stated that the law simply "does not apply to conduct which occurs subsequent to the formation of a contract," that is after the hiring decision is made.

The next day, Justice White joined Justice Kennedy, and wrote his own proposed concurring opinion that the public never saw. In mocking tones, he called Justice Brennan on his new reasoning.

"With all due respect, Justice Brennan's proposed ending to this lawsuit is as unsatisfying as the conclusion of a bad mystery novel... we learn on the last page that the victim has been done in by a suspect heretofore unknown, for reasons previously uninvestigated," Justice White was referring to Justice Brennan's sudden conclusion that Mrs. Patterson could not win the harassment part of her case because of a procedural problem.

Justice Brennan clearly no longer had a majority. On May 18, Chief Justice Rehnquist reassigned the case to Justice Kennedy for the majority opinion, which ultimately was joined by Justices Rehnquist, White, O'Connor and Scalia.

The dissent did not sit well with Justice Brennan. He drafted a biting dissent attacking the court: "The court's fine phrases about our commitment to the eradication of racial discrimination seem to count for little in practice."

Justice Kennedy responded in kind, adding a footnote aimed at Justice Brennan, who, he said, "thinks it judicious to bolster his position by questioning the court's understanding of the necessity to eradicate racial discrimination."

Justice Kennedy added: "The commitment to equality, fairness and compassion is not a treasured monopoly of our colleagues in the dissent."

In the end, both deleted those comments and the public never saw them.

Probably the most controversial job discrimination ruling of the 1988-'89 session and one that would later generate bitter arguments in Congress was *Wards Cove Packing Co. v. Atonio*. In that case on June 5,

1989, the court reversed part of a landmark 1971 ruling that prohibited employers from discriminating by requiring job applicants to have skills or academic requirements unrelated to the job.

In the *Wards Cove* conflict, Asian and Alaskan natives said they were being kept out of the better jobs at an Alaska salmon cannery. They alleged that the low-level cannery workers were hired from native villages in Alaska and through a longshoremen's union, while the higher-paid workers got their jobs through word-of-mouth recruitment, nepotism and priority for former workers. As a result, the minorities alleged, the nonwhites were shut out of the best jobs.

Before *Wards Cove*, under established court precedent, aggrieved workers could claim that a collection of hiring practices was discriminatory without demonstrating specifically how each caused particular bias.

In the *Wards Cove* ruling, the court made such a demonstration mandatory.

Justice Scalia, according to the files contained in the Marshall papers, was the justice responsible for that change.

Chief Justice Rehnquist and Justice Kennedy agreed with Justice Scalia, and Justice White dropped his objections. Justice O'Connor joined them for the majority. The same four justices who had dissented in *Patterson* — Justices Brennan, Marshall, Blackmun and Stevens — dissented in *Wards Cove*.

When the *Wards Cove* decision was announced, employers said they would be better able to defend themselves against frivolous claims.

The leaders of the country's major rights organizations, believing their cause had suffered a grievous blow, sought congressional action.

During debate over the ruling, employers said that if the standards for bringing lawsuits were too easy, they would be forced to resort to quota hiring. The Bush administration adopted that argument — calling the legislation a "quota bill" — until the final weeks of negotiations over what would become the Civil Rights Act of 1991.

In the end, Congress decided that if a worker can convince a judge that elements of a company's decision-making process cannot be separated for analysis, the entire process may be challenged as one employment practice. That law also reversed the *Patterson* case and seven other job-discrimination rulings, most from the 1988-'89 term.

Khazoggi Gems Are Taken  
Readers  
CANNES — The Saudi multimillionaire Adnan Khazoggi has told French police that a burglar stole jewels worth \$3 million from his Riviera apartment while about 400 police officers nearby were guarding the closing ceremony of the Cannes film festival.

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# Cardinal's Death Confronts Mexico With Its Drug Role

**By Tod Robberson**  
*Washington Post Service*

MEXICO CITY — The killing of Cardinal Juan Jesús Posadas Ocampo, who was apparently caught in crossfire during a shootout between drug gangs, has focused the attention of a shocked nation on the drug-related violence spreading throughout Mexico.

President Carlos Salinas de Gortari mobilized the federal police in a manhunt for killers of the Roman Catholic prelate, 66, and six other bystanders, who were trapped Monday in a firefight between gangs wielding assault rifles at the airport in the western city of Guadalajara.

A diplomat here described Cardinal Posadas's death as "an embarrassing moment" for Mr. Salinas as he enters the final months of

an intense campaign to win U.S. congressional approval for the proposed North American Free Trade Agreement.

Mr. Salinas and other top Mexican officials have underlined Mexican cooperation in joint attempts to control drug trafficking, but his efforts frequently have been thwarted, often by corrupt officials.

"This doesn't help," the diplomat said.

Mr. Salinas flew to Guadalajara to denounce the killings and offer his condolences to Catholic Church representatives there. Greeted in Guadalajara by crowds chanting "Justice!" Mr. Salinas declared, "This crime had no justification whatsoever."

His attorney general, Jorge Carpizo MacGregor, vowed that there would be justice and pledged federal assistance to state and local authorities investigating the killings.

Investigators said there was no evidence to suggest that the cardinal was the target of an attack.

He had been leaving his car at the airport to welcome Girolamo Prigione, the Vatican's chief representative in Mexico. Mexico and the Vatican re-established relations last year after a 100-year break. Mr. Salinas expressed his condolences to Pope John Paul II in a letter to the Vatican late Monday.

Investigators said several assault rifles, hand grenades, bulletproof vests and ammunition belts were seized from cars in the parking lot where Cardinal Posadas was killed. Twenty other cars were sprayed with bullets during the shoot-out.

Senior law enforcement officials have reported a dramatic increase in illegal imports of weaponry accompanying drug-related activity by gangs allied with Colombian drug cartels.

Jalisco state, where Guadalajara is situated, is among six Pacific coast states cited recently by a senior Mexican official for the increasing lawlessness and brazen activity of drug cartels. The official said the cartels have grown militarily, economically and politically powerful throughout northwestern Mexico — with profits in the tens of billions of dollars in recent years.

Trade in cocaine, heroin and marijuana — virtually all of which is shipped through northern Mexico to the United States — has led to the rise of competing cartels, with a corresponding increase in turf battles among them, the Mexican officials said.

# German Leader Praises New U.S. Holocaust Exhibit

*Washington Post Service*

WASHINGTON — The German president, Richard von Weizsäcker, has praised the new U.S. Holocaust Memorial Museum as "the most impressive place I have ever seen" and said "the Germans will really have to accept it and understand its importance."

The museum provokes "unforgettable human emotions" and is "really a school for young people and grown-up people," Mr. Weizsäcker said after visiting the museum.

Mr. Weizsäcker's comments were the strongest endorsement yet of the museum by a German official. Dedicated in April amid extraordinary and emotional fanfare in Washington, the building has provoked controversy in Germany because of its graphic and extensive commemoration of the darkest period in German history — without noting postwar Germany's adherence to peaceful democratic principles.

**Neo-Nazi Is Acquitted**

A court has acquitted a neo-Nazi of insulting Jews by questioning whether the Holocaust really happened, Reuters reported Wednesday from Munich. The court found that Ewald Althaus, a neo-Nazi activist, had questioned the Holocaust but had not broken a law making it a crime to deny the Nazis murdered six million Jews.



Guatemalans demonstrating against President Serrano's suspension of government.

# Army Behind Guatemala Crackdown

**By Tim Golden**  
*New York Times Service*

GUATEMALA CITY — President Jorge Serrano Elias's move to dissolve the Congress and the Supreme Court and suspend constitutional rights appeared to be a military-backed effort to silence growing political and economic protests.

The Constitutional Court, which was dissolved by the president, tried to preserve its position Wednesday by declaring that Mr. Serrano's actions were unconstitutional.

Agence France-Press reported, nine members of the 10-judge panel signed a resolution declaring the initiative "a rupture of constitutional order."

In recent days, diplomats said, hard-line military officers have been taking a more active role in politics. In particular, they said, military leaders have pressed for a tougher line against labor union and student groups that have protested, sometimes violently, against Mr. Serrano's austerity policies.

In an apparent response to the officers' demands, Mr. Serrano

said last week that he would apply an "iron hand" against protesters.

The other day the president formed a new riot squad of soldiers and police officers. But that same day, thousands of protesters marched peacefully through the streets and the capital buzzed with rumors of a military coup.

The chief military spokesman, Captain Julio Yon Rivera, dismissed reports of a military role in the president's decision. He said military leaders supported Mr. Serrano because he is commander-in-chief.

Mr. Serrano, a conservative former businessman whose two-year push to end the country's 32-year civil war has foundered in recent weeks, said he would rule temporarily by decree to stem "a breakdown in law and order."

Almost as Mr. Serrano announced the measures Tuesday morning in a radio and television address, the homes of the attorney general and the president of the Congress and the Supreme Court were surrounded by the security forces. Military policemen arrested the government's human rights ombudsman. The Associated Press reported.

Mr. Serrano said he would hold elections within 60 days for a national assembly to change unspecified elements of the constitution. He also promised to leave office as scheduled, in January 1996.

# Iran and Iraq Ratchet Up Feud Baghdad Vows Revenge After Tehran Raids

*Compiled by Our Staff From Dispatches*

NICOSIA — Baghdad stepped up its war of words against Tehran on Wednesday after Iranian air strikes on rebel bases in Iraq that heightened border tension between the two Gulf nations.

Iraq's government-controlled press attacked Iran, and one newspaper, Babil, called the Tehran government an "assortment of sick and ossified minds."

Referring to the Iranians, Al Jumburiya said in a front-page editorial, "Iraq is capable of giving them new lessons at the right time."

Tehran, however, announced that it planned to release 100 Iraqi prisoners of war on Wednesday. Iran's move, announced by the official press agency, IRNA, appeared to be an attempt to defuse a crisis reminiscent of that which led to the 1980-88 Iran-Iraq war.

On Tuesday, Iranian warplanes bombed two bases in Iraq used by the Mujahidin Khalq, the main Iranian opposition group. The raid was the first in more than a year and apparently was carried out in response to recent rebel attacks in Iran.

On Wednesday, Tehran defended the air strikes as legitimate defense. Iranian officials in Tehran and New York said they were not renouncing the United Nations-brokered cease-fire with Iraq and wanted trouble-free relations with Baghdad.

Iran and Iraq have not signed a treaty formally ending the war, and thousands of prisoners are still held by both sides.

The deputy speaker of the Iranian Majlis, or parliament, Hassan Rowhani, said the raid was a "decisive response" to a spate of cross-border rebel attacks, Tehran radio reported.

The raid apparently caused little damage to the rebel bases, which are about 90 kilometers (55 miles) from the Iranian border, and no casualties were reported.

In a letter to Secretary-General Butros Butros Ghali, an Iranian diplomat at the United Nations, Gholamali Khoshroo, said the operation was "brief, necessary, proportionate, purely defensive," IRNA reported.

Tehran has been trying to lure foreign investment and rebuild its economy, which was shattered by the 1980-88 conflict. A new crisis with Iraq would obstruct the government's effort.

Al Jumburiya said Iran's actions were typical of "bankrupt cowards" who would not have dared to strike without U.S. encouragement.

The Arab Ba'ath Socialist Party newspaper, Ath Thawra, said Iran was refusing to learn from the past.

"We warn the rulers of Iran of the consequences of playing with the fire of war," the Iraqi paper said. "Iraq is still strong and able to foil their schemes and dispel their vicious dreams."

(A.P. Reuters)

# As Deaths of Palestinians Rise, Israeli Rules Come Under Fire

**By Joel Greenberg**

*New York Times Service*

JERUSALEM — At a military court in Jaffa last week, an Israeli Army officer listened impassively as a judge sentenced him to three months in prison and three months of work detail for killing a 12-year-old Palestinian boy in the Occupied West Bank in November.

The court session was brief. In a matter-of-fact tone, the judge reviewed how the officer, a member of an undercover unit, had shot the boy, Amjad Jabir, in the back while chasing stone-throwers who had pelted cars on a highway north of Jerusalem.

The judge said the officer, whom he identified only as Second Lieutenant Ofir, had tried to hit the boy in the legs, as required by army rules, but had violated orders that prohibit shooting at stone-throwers under the age of 16. He found the lieutenant guilty of causing death by negligence, which carries a penalty of up to three years in prison.

The court-martial was an uncommon event. Convictions of soldiers for killing Palestinians have been infrequent during the uprising, in which about 1,100 Palestinians have been killed by Israeli troops since it began in December 1987.

The reason may lie in the army's perception of the uprising, which has evolved from a popular unarmed insurrection into what is increasingly becoming a hit-and-run guerrilla campaign. Instead of the mass protests of the uprising's early years, soldiers now face armed attacks, punctuated by spasms of stone-throwing.

The aggression has intensified in recent months, especially in the Gaza Strip. Increasingly, the army is being forced to decide whether to behave as if it were putting down civilian unrest or fighting a guerrilla war.

According to army statistics, 54 soldiers have been court-martialed and convicted for unjustifiably killing Palestinians during the uprising. Many were found guilty of causing death by negligence and served terms of less than half a year. Others were convicted of illegal use of a weapon, and a few were found guilty of manslaughter.

A total of 202 soldiers have been convicted for offenses that, aside from killings, have included beatings and other forms of violence, vandalism, and theft.

In the Gaza Strip last month, several soldiers were disciplined after Palestinians complained that they had been beaten and their homes vandalized. One soldier received a 56-day sentence for sexually harassing a woman.

The discrepancy between the number of such incidents and the frequency and severity of punishment has provoked bitter debate between the army and

human-rights organizations and lawyers. Human-rights groups argue that there is little army accountability for violence against Palestinians, especially in cases of unjustified killing. The army says its standards are strict and that soldiers generally follow orders.

The debate has intensified with a sharp rise recently in Palestinian deaths. According to army figures, 65 Palestinians were killed by soldiers in the first four months of this year, compared with 39 during the same period in 1992. About one-third this year have been children 16 and under.

The number of these killings exceeds that of Palestinians slain by fellow Arabs for alleged collaboration with Israel, contrary to the trend of the last three years.

To Colonel David Yahav, the army's deputy advocate-general, soldiers in the occupied territories may not be at war, but they are in serious and constant danger that must be taken into account when investigating killings and punishing violations.

"The soldiers are under pressure, they are under attack in a hostile environment, and our dilemma is to what extent we should pursue a standard criminal investigation when the troops are in such difficult circumstances," he said.

But human-rights organizations that have studied military policies and interviewed soldiers, such as the Israeli group B'Tselem and the New York-based Middle East Watch, assert that the army, in fact, shows leniency toward its own troops and disregard for Palestinian lives.

The leniency shows itself in frequent violations of shooting guidelines, cover-ups, lax investigations and mild punishments, the groups say.

Critics such as B'Tselem say the army's firing rules have caused needless deaths because they allow soldiers to shoot at suspects who are fleeing and no longer pose an imminent threat to life.

In scores of cases, the army reported that suspects were fatally shot as they fled, at times after throwing stones but in some instances after merely painting nationalist graffiti on walls.

By the rules, soldiers may also fire at rioters who endanger their lives — but even then they are supposed to aim only at the legs. Many times, however, they have hit people in the torso and head, including small children.

Army officers say soldiers often hit just the legs. But they acknowledge that bullets go astray.

Human-rights workers, however, say they have found that soldiers often just break army rules, shooting rioters and escaping suspects above the legs and firing at fleeing persons who are not suspected of dangerous crimes.

# YEN: Foreign Trade as Life-and-Death Issue in Japan

*Continued from Page 1*

K. K. Watanabe Seisakusho, a utensil maker in northwestern Japan, had gone bankrupt because of its inability to continue exporting knives, forks and spoons because the prices in the United States and Europe were so high.

The company is relatively tiny, with only about \$4.8 million in sales, but the bankruptcy drew national television coverage because it was the first such action directly linked to the latest round of appreciation in the yen, according to Teikoku Databank, a private credit-research agency.

U.S. and European companies declare bankruptcy all the time because of failure to remain competitive internationally, but Westerners clearly pay less attention to the exchange-rate issue than the Japanese do.

Last month, when Treasury Secretary Lloyd Bentsen issued a statement on Capitol Hill that helped stop a free-fall in the dollar-yen rate at about 110, the news was relegated to the back pages of the business sections of major U.S.

newspapers. But it was big news in Japan, leading every major paper and television broadcast.

Japan's weekly and monthly magazines, no matter how middle-brow, have been full of yen-related stories lately. Many have run lengthy analyses of how the United States is pressuring Japan to drive up the yen.

Of particular interest has been the meeting last month between President Bill Clinton and Prime Minister Kiichi Miyazawa. Mr. Clinton said at the meeting that a stronger yen could help shrink Japan's huge trade surplus — a statement that sent the dollar-yen rate spiraling downward.

The Shukan Post published a piece recently about an alleged "secret pact" between Washington and Tokyo for a high yen, based on a detailed — if somewhat conspiratorial — analysis of the Clinton-Miyazawa meeting. The article appeared amid the paper's usual photos of scantily clad women and articles about baseball players and other celebrities.

# EUROPEAN TOPICS

## Poor, Unpoliced French Areas Find Vigilantism on the Rise

When several hundred youths in a poor section of Lille took to the streets to chase out drug dealers, reaction in France was mixed: There was widespread understanding of the desire for safer, cleaner neighborhoods, but some tut-tutting about not taking the law into one's own hands.

But the incident, following a similar one a week earlier in the Paris suburb of Bagneux, has focused attention on some serious problems: the lack of police presence in many poor areas, and the dearth of facilities for the treatment of addicts.

A 1991 study found that two-thirds of such neighborhoods lacked police stations, city-hall annexes or any local governmental representation other than public schools.

Meanwhile, there are only 600 beds in drug detoxification centers in all of France, which the daily Liberation says is the worst level in Europe.

## Around Europe

Save the bats? Doesn't have much of a ring, but a pilot program in the Belgian Lorraine region aims to do just that. Jacques Faron, of Belgium's Royal Institute of Natural Sciences, notes that bats play a vital role in controlling unwanted insects — bats protected by the monks of a single abbey consume 3 million tons of insects a year.

But these nocturnal animals, not particularly prolific, suffer from the increasingly intense use of pesticides and chemical fertilizers, and a decline in the number of habitats for summertime, when they reproduce. The program will identify habitats — bell towers, church eaves and so on — and clean or repair them.

German hunters are feeling increasingly hunted as fringe groups of animal lovers resort to more violent tactics. The Münster police office alone has counted 80 cases in which hunters' observation platforms were sabotaged. Some have been blown up, others cut down, and still others weakened so as to fall under people's weight. A physician and his theologian friend were seriously injured in a 6-meter (20-foot) fall from a platform in a forest in the Saarland. The police say such tactics are employed by a core group of as few as 50 protesters. But a larger group has done its best to make hunters' lives unpleasant. A

## Sweden has one of the world's most efficient systems for recycling aluminum cans.

With a 10-cent deposit on every can, the Swedes return 84 percent of those they use; the goal in the next few years is 90 percent. By comparison, the Swiss return 60 percent and Americans, 68 percent. Supermarkets have special areas with bins for plastic and cardboard; a later system reads the codes on deposit containers and issues reimbursement tickets. A nonprofit state monopoly oversees the whole process. Profits go to a nature conservancy; to avoid cross-border trafficking, cans brought in from other countries are subject to a tax.

One in ten of the French have tried mink at least once, according to a recent survey, and twice that many would be willing to give it a try. Going natural is big business in France — the market is worth 670 billion francs (\$120 million) a year, according to the weekly L'Espresso. This week a Nudist Tourism Office is opening in Paris, joining its more prosaic counterparts, such as the Brittany and Normandy tourism offices.

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As Clinton Trade Status frees Top I...

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# As Clinton Weighs Trade Status, China Frees Top Dissident

By Sheryl WuDunn  
New York Times Service

BEIJING — The government on Wednesday freed Xu Wenli, a pro-democracy campaigner who has spent the last 12 years in solitary confinement, in an apparent effort to extend an olive branch to President Bill Clinton before he decides whether to extend trade benefits to China.

Mr. Xu, a 49-year-old former editor of an underground magazine, was paroled three years before completion of his 15-year prison sentence. The length of his sentence and the three years he spent in a tiny punishment cell had made him a symbol of those who stand up against Chinese repression.

"I want to thank my own country and people from all over the world who have shown concern for me, helped and supported me for these 10 years," Mr. Xu said as he stood in a Beijing alley, about to return to his apartment for the first time since his arrest in 1981.

The Chinese leaders apparently had several aims in mind in releasing "special prisoner No. 1," as Mr. Xu was known in Beijing's main prison.

The most important is to improve relations with Washington and make it easier for Mr. Clinton to extend China's trade status. Mr. Clinton is expected to announce shortly an extension of China's "most-favored-nation" trade status, while warning Beijing that future renewal will depend on progress in observing human rights, trade agreements and promises not to sell weapons.

Chinese leaders are not happy about such conditions, but if there is no alternative they would prefer that Mr. Clinton impose them himself without the involvement of Congress. They want to defuse the hostility toward China on Capitol Hill and deflect further calls for legislated conditions, which could be more onerous as well as more embarrassing.

"They want better relations with the U.S.," said John T. Kamm, an American businessman who helped lobby for Mr. Xu's release. "Clearly the MFN decision played a role. It would be denying the obvious to say otherwise."

Chinese authorities are also determined to do everything they can

to win a bid for Beijing to be host of the Olympics in 2000.

Mr. Xu emerged Wednesday from Beijing No. 1 prison looking fit and cheerful, and hardly resembling a man who had spent the last dozen years in solitary confinement.

He refused to be drawn out on political topics and declined to criticize the government or call for more democracy.

Mr. Xu was first detained in April 1981 for his role in the 1979-80 Democracy Wall movement, the first major political protest in China calling for more Western-style democracy.

Among his various proposals, Mr. Xu called for a separation of powers and an independent judiciary, but his ideas were considered moderate compared to those of other dissidents at that time. He regarded himself as a Marxist trying to improve the system, rather than a rebel trying to overthrow it.

On Wednesday, Mr. Xu denied that he had committed any crimes, although he evaded a question on whether he had any regrets for what he had done. He also refused to comment on the Democracy Wall movement.

"The Democracy Wall movement is for history to judge," he said. "It's not for me to decide."

After his formal trial in 1982, Mr. Xu wrote a long description of his prison conditions that was smuggled to the West. It told of his deteriorating health and spiritual depression and provoked concern in the West over his treatment in prison.

Prison authorities retaliated, human rights organizations have said, by locking him for three and a half years in an insect-infested windowless cell, "a living tomb," so small that he could not even stand up. Various reports have said that his teeth fell out, his hair turned white, he was not allowed to exercise, and he had possibly developed a tumor, and he was not being fed adequately.

Mr. Xu denied Wednesday that authorities had mistreated him. He said that he was fed three meals nearly every day, that his teeth had not fallen out in prison and that he did not have a tumor. He confirmed he was kept in a small cell, but said it was 3 square meters and he could stand up in it.



Xu Wenli outside his Beijing apartment Wednesday. He was flanked by his wife, Kang Tong, left, and their daughter, Xu Jing.

# Pakistan High Court Reinstates Leader

ISLAMABAD, Pakistan — Pakistan's Supreme Court reinstated the National Assembly and Prime Minister Nawaz Sharif on Wednesday in a historic decision overturning President Ghulam Ishaq Khan's dissolution of the National Assembly last month.

"The National Assembly has been restored unconditionally," said the assembly's speaker, Gohar Ayub Khan, as he emerged from the crowded courtroom.

"Almighty Allah has vindicated us," Mr. Sharif told several hundred supporters gathered at his house. "Allah has fulfilled all requirements of justice."

The Supreme Court judges voted, 10 to 1, to declare the president's dismissal of Mr. Sharif and his 30-month-old government outside the limits of his power.

"On merits, we hold that the order of 18th April, 1993, passed by the president of Pakistan, is not within the ambit of the powers conferred on the president and has therefore been passed without lawful authority," the judges wrote. "As a consequence of our order,"

they added, "the National Assembly, prime minister and the cabinet shall stand restored and entitled to function as immediately before the impugned order was passed."

[Mr. Ishaq Khan accepted the verdict, Agency France-Press reported, quoting the president's spokesman. The spokesman said Mr. Ishaq Khan "held the country's judiciary in the highest of esteem" and would respect its judgment.]

Mr. Sharif had filed a petition with the court after Mr. Ishaq Khan dismissed him on April 18 on charges of nepotism, economic mismanagement and terrorizing his political opponents.

The decision was announced Wednesday.

It was the first time the Supreme Court has upheld a petition against a presidential dissolution of the legislature.

Mr. Sharif was the third prime minister to be dismissed, along with the National Assembly, since the late President Mohammed Zia-ul-Haq gave the president the power to dissolve parliament under a 1985 constitutional amendment.

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# Sihanouk Retracts Plan for Coalition

By Philip Shenon  
New York Times Service

PHNOM PENH — Prince Norodom Sihanouk, Cambodia's head of state and its former monarch, announced Wednesday that he had abandoned plans to set up a coalition government that included the Khmer Rouge and said that this week internationally supervised elections proved that the Maoist rebels had no place in Cambodia's future.

Only weeks after suggesting that the Khmer Rouge should be incorporated into a new postwar government, the mercurial prince told a group of visiting European legislators that the huge and enthusiastic voter turnout amounted to a final public repudiation of the guerrilla group. The Khmer Rouge boycotted the elections and had threatened to disrupt them with violence.

One of the legislators, Claude Cheysson, a former foreign minister of France, said in an interview that the prince had told the group that the elections were an "historic defeat of the Khmer Rouge — they won't recover."

In a separate statement issued by the palace, the prince said, "I definitively renounce my earlier proposition for the formation of a government of national reconciliation that included the participation of the Khmer Rouge."

Despite his fierce denunciation of the rebels, the 70-year-old prince

remains a man prone to changing his mind, especially on the issue of the Khmer Rouge. Over the last three decades, he has sometimes been the ally, and sometimes the enemy, of the Khmer Rouge, who were responsible for the deaths of, by some estimates, as many as 2 million Cambodians when they controlled the central government in the 1970s.

The prince did not rule out, however, the inclusion of the Khmer Rouge in a future government, but he said the decision would have to be made by whatever government is established after this week's elections, in which more than 85 percent of Cambodia's 4.7 million registered voters have already cast ballots. "I will not intervene in the question of the composition of the Cambodian government," he said.

The prince, who was toppled in the 1970 coup and has spent most of the last two decades in exile, was not on the ballot in this week's elections, although he is expected to play a pivotal role in the formation of a new government.

He is the most popular figure in Cambodia, drawing adoring crowds everywhere he goes in a country that, since his ouster, has known only genocide or civil war.

This week's election is the centerpiece of a \$2 billion United Nations peacekeeping operation meant to bring an end to 14 years of civil war in Cambodia.



CHRISTIAN LACROIX, FASHION DESIGNER

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INTERNATIONAL Herald Tribune

Butros Ghali Kowtows

A foolish and worrying squall hit the United Nations on Tuesday. Yielding to pressure from China, Secretary-General Butros Ghali sought to keep a leading Chinese dissident from holding a news conference at UN headquarters.

A Test for the Americas

An international police force was to be the dual-purpose lever by which the Organization of American States and the United Nations would pry the military out of power in Haiti and put the exiled elected government back in.

High Officials for Rent

After a week of one political blunder after another, a light bulb finally went off somewhere in the White House, and the Democratic National Committee canceled the White House fund-raising breakfast.

Other Comment

Looking Ahead in Cambodia

What will come out of this week's election in Cambodia? The best hope is that it will produce a government that can command the international and domestic support necessary to defeat a somewhat marginalized Khmer Rouge.

Unmanageable Trade

Under the latest Clinton proposal being brewed about, Japan must cut its trade deficit by 50 percent over three years — or else!

Here Comes Greater China, Getting Richer by the Day

By Paul M. F. Cheng

HONG KONG — The Asia-Pacific Century is already dawning, bringing with it major business opportunities for manufacturers and service companies the world over.

ranking ahead of the United States and Japan. Chinese corporations have major holdings in Hong Kong's aviation sector, telecommunications and property market.

If China is not committed to Hong Kong, why would it buy in at current market rates? The answer is that China sees Hong Kong as a good investment, now and in the future.

takeover when prices might be lower? The answer is that China sees Hong Kong as a good investment, now and in the future. Taiwan, like Hong Kong, views China as a major factor in its continued success and development.

The Savage Words That Kill Came From Genteel Balkan Desks

By Svetlana Slapsak

LJUBLJANA, Slovenia — There is much debate in America about political correctness, but it is not nearly as heated as the debate about the use of words in the Balkans.

These words undermined an informed and refined democratic public discourse that was slowly developing after Tito's death.

By the time Slobodan Milosevic came to power in Serbia in 1987, in a kind of Communist Party coup, the language of Communist ideology was dead. A new discourse, simplistic and strong, was invented by intellectuals.

Get Europe Back on the Road to Riches

By Charles William Maynes

WASHINGTON — Western policy in the former Yugoslavia has been a failure. In this moment of deplorable paralysis at NATO and the United Nations, what lessons can we draw? Lesson No. 1 is that the United States was wrong to sabotage West European efforts to create defense capabilities outside NATO.

An Energy Crisis Stalls Washington

By Jim Hoagland

WASHINGTON — Bill Clinton's sudden energy crisis on Capitol Hill is a struggle for the central nervous system of the nation, if not its soul.

Mr. Clinton's tax on the heat content of energy, measured in British thermal units, is a small, essential and long overdue first step toward reversing America's lax habits of energy consumption.

Ronald Reagan and George Bush relied on buttering up King Fahd of Saudi Arabia to keep oil prices down and oil supplies flowing.

There are two things immediately wrong with that idea. The first is that if the cuts the senators propose are needed and are politically viable, they should be proposed on their own and not as a way of avoiding the energy tax.

For decades most Europeans were too rich to hate. Even in the East, popular concern about irritating or unacceptable differences was displaced by the common drive to recover from the devastation of World War II.

Eliminating the psychological causes of ethnic conflict will take generations. The immediate goal must be to tamp it down.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Fears for Holland

FLIM, Switzerland — The Queen Regent of the Netherlands is here with her daughter, Queen Wilhelmina. The health of the little Queen gives rise to serious apprehensions.

1918: German Gas Shells

PARIS — Reports from the British front state that German artillery activity is developing great intensity in various sectors, and stress is laid on the extensive use by the enemy of gas shells.

yesterday [May 26] and during the previous night on the Villers-Bretonneux front, east of Amiens and in the north, west of Hinges. This seems to indicate that the resumption of the delayed offensive is now imminent.

1943: Düsseldorf Blasted

LONDON — [From our New York edition] A force of British and Canadian planes battered the German arms center of Düsseldorf last night [May 25] with more than five two-ton block-busters a minute.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCCO, Executive Editor...

The Great Britain War Clinton... Confusion... Jay... US trade... NAT... News... Shouldn't you... CALL...

OPINION

The Great Budget Brawl, A War Clinton Has to Win

By E. J. Dionne Jr.

WASHINGTON — What are we talking about this week, the week during which Bill Clinton was supposed to begin his long march to victory on his economic plan? Well, there's that \$200 haircut and also the vital matter of a purge at the White House office that arranges travel for the press.

This is not simply bad news for an administration given lately to self-inflicted wounds. What is really at stake in the next few weeks is whether Mr. Clinton can govern — and whether the politicians are serious about all their talk of

caused explanations for Mr. Clinton's troubles, put aside the haircut and the travel office fiasco, you are left with one large fact: Bill Clinton has a problem because he has called for substantial tax increases. He has said, correctly, that you can't hope to balance the budget and do the other things the country wants done without new taxes. In other words, he has shown real courage and faced up to problems just the way voters said they wanted him to. But "courage" is not a word you see used much about Mr. Clinton these days.

Now would you know that the bulk of the new taxes — 63 percent according to the Democratic Study Group — will be paid by families earning more than \$200,000 a year. The people certainly don't know this. A poll done for a Republican senator in a Western state that Mr. Clinton carried found strong support for higher taxes on the wealthy — and strong opposition to Mr. Clinton's plan, partly because it was seen as imposing unfair burdens on the middle class. The message to this senator was simple: Keep firing away at Mr. Clinton's plan.

As long as the debate is carried out at the level of generalities, Mr. Clinton will keep losing. Vagueness is his enemy, and specifics are his friend. Of course most people would prefer "spending cuts" in "taxes." That is because people assume that the spending cuts will come out of "waste, fraud and abuse" or "special interests." The taxes, on the other hand, are seen as coming out of everybody's pocket.

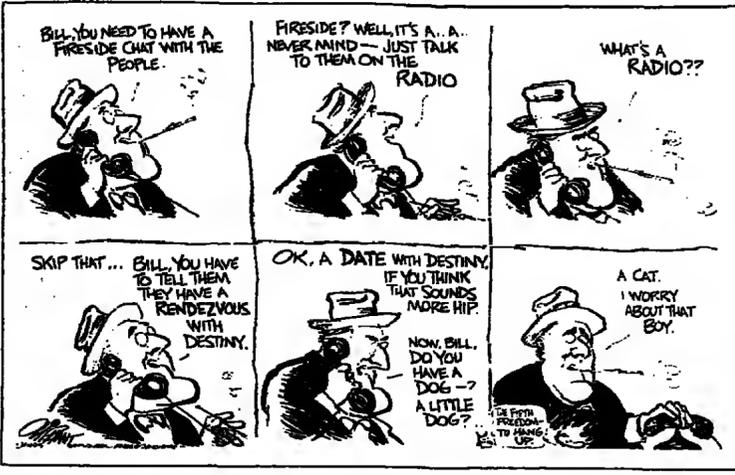
Mr. Clinton should not be ashamed to borrow Ross Perot's charts to show how his program works, how the alternatives to it sound a lot better than they are, and to insist that anyone who claims there is an easy way out is lying. Sure, the Clinton plan is imperfect. But it is likely to be far better than the alternatives cooked up by legislators who are losing their nerve as Mr. Clinton loses ground.

These days, Mr. Clinton is being criticized by allies to his left and allies to his right. The Clinton left argues that his plan is not ambitious enough to deal with the huge economic dislocations created by the global economy. The Clinton right — centrists, really — say he is backing away from his pledges to be "a different kind of Democrat."

These streams of contradictory criticism share one thing: Both sides are frustrated because Mr. Clinton no longer looks as if he is really going to change things. He can restore hope in his presidency by winning the budget fight on the merits (and the merits may be all he has), and by proving that he is a man who takes the art of government seriously.

If Mr. Clinton does not push the discussion toward seriousness, his foes will be more than happy to talk about haircuts and the charter flight business. The country does not deserve that, and in the end neither does Mr. Clinton.

The Washington Post



LETTERS TO THE EDITOR

A Fresh Start for India

Regarding the editorial "India at the Edge" (Feb. 25) and "Pharosism in India" (Letter, April 7):

The Bharatiya Janata Party is clearly communal in the sense of perniciously exploiting religion to attain political power. This is done directly in appealing to the majority Hindus and in threatening the minorities, the Muslims in particular. During its rule in some of the Indian states, it has even tried to rewrite Indian history in presenting the Muslim period as foreign rule.

The BJP has shown no remorse for the carnage that followed the demolition Dec. 6 of the Ayodhya mosque. Since that infamous day, thousands have died, hundreds of thousands have been uprooted, and a vast number of homes and businesses have been destroyed, along with many worship centers. The consequences are still being felt all over South Asia.

We concur that the BJP will not be contained by learning "legitimate" protest, but we assert that the governing Congress (I) Party has no capacity to enforce "India's laws against violence" and to use the "government's full power to protect minority rights." India cannot be led back from the edge by Congress (I). This will be possible only through new political forces providing a really secular, democratic rule.

KHALID HAMEED, Wageningen, Netherlands.

The Tragedy of 'Shoot First'

Regarding "For Japan, Acquittal Confirms Worst View of U.S." (May 25):

More words of apology can do little to alleviate the anguish felt by the bereaved family of the Japanese exchange student who was shot and killed in Louisiana.

but my heart and thoughts go out to them. Let it be known that at least one American is filled with shame for his country on this terrible day.

BRUCE D. SCOTT, Garding, Germany.

Homosexuality and Morality

Regarding "Homosexuals in Uniform" (Letters, April 16) from Ken Cowan:

The conviction that homosexuality is morally wrong is not based on "intuition" or on the ignorant bias that humans tend to inflict on those different from themselves; this is the core of racism, and a shallow, indefensible one. The moral mandate against homosexual practice is based on an understanding of the proper role and expression of the gift of human sexuality, and recognition of the need to maintain the dignity of the human person by not abusing this gift.

Further, racism is a direct assault on a person or people, whereas to be opposed to homosexuality is to oppose an act, a thing. In this sense, the difference between opposition to homosexuality and opposition to rape or drug abuse is only a quantitative one: In each case it is an act or behavior seen as morally wrong and not a person considered inferior.

T. M. AGLIALORO, Rome.

Regarding "Merely Private Freedom"

(Opinion, May 11): Charles Krauthammer observes that most parents would not like their children to grow up gay because homosexual orientation is an immoral and illegitimate lifestyle. In an attempt to be evenhanded, Mr. Krauthammer concedes that private acts should be tolerated but not legitimized. Mr. Krauthammer is morally dishonest if he thinks you can have tolerance without legitimacy.

Perhaps he has not had a gay child or known other families with homosexual children who have committed suicide because they could not handle the pressure of being gay in a society that demonizes them. How can Mr. Krauthammer make a moral judgment against behavior over which people have no control?

LARRY SHAPIRO, Calgary, Alberta.

Remember Costa Rica

Regarding "Venezuela's President to Face Trial for Theft" (May 22):

The statement that Venezuela's "35-year-old civilian democracy is Latin America's oldest" is false! Costa Rica, a country without an army, has Latin America's oldest civilian democracy, at 103 years.

In fact, Venezuela's accused president, Carlos Andrés Pérez, lived in Costa Rica as an exile during the years of General Pérez Jimenez's military dictatorship. He and Venezuela's great democratic leader, Romulo Betancourt, both enjoyed democratic Costa Rica's hospitality during the 1950s, and both married Costa Rican women.

HUMBERTO PACHECO, Zurich.

Reinventing the Wheel

Regarding "Are There Any Grown-Ups in the White House?" (Opinion, May 17):

Charles Krauthammer has missed the point in his analysis of Hillary Clinton's "Politics of Meaning" speech given in Texas recently. He trivialized her observations as "thundering truisms" most adults come to early in life" delivered as if she had "discovered the wheel."

No Bed of Chrysanthemums For the Princesses of Today

By Anna Quindlen

NEW YORK — When I was young my mother sometimes hinted that a good career option would be to marry the Prince of Wales. How a second-generation Italian immigrant thought she was going to manage an introduction for her mouthy, scabby-kneed

the last moms in the world to think that being a princess is a dream job. In a few weeks, in Japan, another mother will see her daughter married, and as she does it may occur to her that never has a bride approached her wedding day amid such a societal miasma of sympathy.

MEANWHILE

Catholic daughter to the heir to the House of Windsor is anyone's guess. But I have discovered since that she was not alone, and that other mothers, Lucilles and Anitas and Bridgets, talked of a white wedding in Westminster Abbey despite the obvious requirements of realpolitik and the Church of England.

Masaki Owada graduated from Harvard, entered the foreign service, and rose through the ranks. But the 29-year-old diplomat has decided to chuck that career for what, once upon a time, might have been called another, that of wife to the heir to the Chrysanthemum Throne. Charting public opinion, it seems people were happier for Anne Boleyn when she went to the block than they are for this young lady. It's easy to tell why.

They are a singular group, those women who have since seen their daughters married to men with less conspicuous bloodlines. They are

show a lively-looking woman with shortish skirts, a no-nonsense handbag and a sense of get-up-and-go. Many of those in high places thought she was too modern, too Westernized, having lived in Massachusetts and taken ski vacations, to be a suitable bride for the prince.

But the prince thought she was perfect, and though she turned him down repeatedly over the last six years, she was persuaded to give in for the good of the country. Suddenly her hems and gazes were cast down, and she was photographed in a kimono, with one of those silly little purses the Queen of England favors — looking like a sacrificial lamb.

Her overall message that the individual seems to have been passed over in an American society where bureaucracies and politicians seemingly run amok, thus leading to a need for restructuring, was well received by an audience of 14,000, which included Governor Ann Richards, Lady Bird Johnson and the former representative Barbara Jordan. After 12 years of Ronald Reagan and George Bush, maybe that wheel does need to be rediscovered.

MARY YZNAGA, Amsterdam.

A Gentleman All the Way

Regarding "Rush Limbaugh Tells All to Lib City Reporter" (Back Page, March 27) by Maureen Dowd:

In her report of a dinner interview with Rush Limbaugh, Ms. Dowd tells how a passing friend of his tossed an off-color remark in her direction, for which Mr. Limbaugh (later) apologized. She remarks: "Rush Limbaugh a sensitive guy? Wrap your mind around that one."

We think this is asking too much. How could it be that a person who defends the lives of unborn children against the convenience of their mothers, who denounces the proliferation of pornography, who openly seeks to prevent 6-year-olds from learning all about sex and alternative lifestyles, and who, in fact, denies our absolute freedom to do whatever we please no matter what the consequences — how could such a person possibly be sensitive enough to apologize for a crude remark made to a lady in his presence?

Ms. Dowd stretches our credulity.

KATHLEEN VAN SCHAIJK, Gaming, Austria.

Continued uncertainty in Bosnia Confusion in the Clinton White House

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# NYSE

Wednesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
120	110	IBM	2.00	4.0	15	120	110	115	+5
100	90	Microsoft	0.00	0	20	100	90	95	+5
80	70	Apple	0.00	0	15	80	70	75	+5
60	50	Oracle	0.00	0	15	60	50	55	+5
40	30	Novartis	0.50	1.2	15	40	30	35	+5
30	20	Merck	0.50	1.7	15	30	20	25	+5
20	15	Amgen	0.00	0	15	20	15	18	+3
15	10	Genentech	0.00	0	15	15	10	12	+2
10	8	Boehringer	0.00	0	15	10	8	9	+1
8	6	Novartis	0.00	0	15	8	6	7	+1
6	4	Amgen	0.00	0	15	6	4	5	+1
4	3	Genentech	0.00	0	15	4	3	3.5	+0.5
3	2	Boehringer	0.00	0	15	3	2	2.5	+0.5
2	1.5	Novartis	0.00	0	15	2	1.5	1.8	+0.3
1.5	1	Amgen	0.00	0	15	1.5	1	1.2	+0.2
1	0.8	Genentech	0.00	0	15	1	0.8	0.9	+0.1
0.8	0.6	Boehringer	0.00	0	15	0.8	0.6	0.7	+0.1
0.6	0.4	Novartis	0.00	0	15	0.6	0.4	0.5	+0.1
0.4	0.3	Amgen	0.00	0	15	0.4	0.3	0.35	+0.05
0.3	0.2	Genentech	0.00	0	15	0.3	0.2	0.25	+0.05
0.2	0.15	Boehringer	0.00	0	15	0.2	0.15	0.18	+0.03
0.15	0.1	Novartis	0.00	0	15	0.15	0.1	0.12	+0.02
0.1	0.08	Amgen	0.00	0	15	0.1	0.08	0.09	+0.01
0.08	0.06	Genentech	0.00	0	15	0.08	0.06	0.07	+0.01
0.06	0.04	Boehringer	0.00	0	15	0.06	0.04	0.05	+0.01
0.04	0.03	Novartis	0.00	0	15	0.04	0.03	0.035	+0.005
0.03	0.02	Amgen	0.00	0	15	0.03	0.02	0.025	+0.005
0.02	0.015	Genentech	0.00	0	15	0.02	0.015	0.018	+0.003
0.015	0.01	Boehringer	0.00	0	15	0.015	0.01	0.012	+0.002
0.01	0.008	Novartis	0.00	0	15	0.01	0.008	0.009	+0.001
0.008	0.006	Amgen	0.00	0	15	0.008	0.006	0.007	+0.001
0.006	0.004	Genentech	0.00	0	15	0.006	0.004	0.005	+0.001
0.004	0.003	Boehringer	0.00	0	15	0.004	0.003	0.0035	+0.0005
0.003	0.002	Novartis	0.00	0	15	0.003	0.002	0.0025	+0.0005
0.002	0.0015	Amgen	0.00	0	15	0.002	0.0015	0.0018	+0.0003
0.0015	0.001	Genentech	0.00	0	15	0.0015	0.001	0.0015	+0.0005
0.001	0.0008	Boehringer	0.00	0	15	0.001	0.0008	0.0009	+0.0001
0.0008	0.0006	Novartis	0.00	0	15	0.0008	0.0006	0.0007	+0.0001
0.0006	0.0004	Amgen	0.00	0	15	0.0006	0.0004	0.0005	+0.0001
0.0004	0.0003	Genentech	0.00	0	15	0.0004	0.0003	0.00035	+0.00005
0.0003	0.0002	Boehringer	0.00	0	15	0.0003	0.0002	0.00025	+0.00005
0.0002	0.00015	Novartis	0.00	0	15	0.0002	0.00015	0.00018	+0.00003
0.00015	0.0001	Amgen	0.00	0	15	0.00015	0.0001	0.00012	+0.00002
0.0001	0.00008	Genentech	0.00	0	15	0.0001	0.00008	0.00009	+0.00001
0.00008	0.00006	Boehringer	0.00	0	15	0.00008	0.00006	0.00007	+0.00001
0.00006	0.00004	Novartis	0.00	0	15	0.00006	0.00004	0.00005	+0.00001
0.00004	0.00003	Amgen	0.00	0	15	0.00004	0.00003	0.000035	+0.000005
0.00003	0.00002	Genentech	0.00	0	15	0.00003	0.00002	0.000025	+0.000005
0.00002	0.000015	Boehringer	0.00	0	15	0.00002	0.000015	0.000018	+0.000003
0.000015	0.00001	Novartis	0.00	0	15	0.000015	0.00001	0.000012	+0.000002
0.00001	0.000008	Amgen	0.00	0	15	0.00001	0.000008	0.000009	+0.000001
0.000008	0.000006	Genentech	0.00	0	15	0.000008	0.000006	0.000007	+0.000001
0.000006	0.000004	Boehringer	0.00	0	15	0.000006	0.000004	0.000005	+0.000001
0.000004	0.000003	Novartis	0.00	0	15	0.000004	0.000003	0.0000035	+0.0000005
0.000003	0.000002	Amgen	0.00	0	15	0.000003	0.000002	0.0000025	+0.0000005
0.000002	0.0000015	Genentech	0.00	0	15	0.000002	0.0000015	0.0000018	+0.0000003
0.0000015	0.000001	Boehringer	0.00	0	15	0.0000015	0.000001	0.0000012	+0.0000002
0.000001	0.0000008	Novartis	0.00	0	15	0.000001	0.0000008	0.0000009	+0.0000001
0.0000008	0.0000006	Amgen	0.00	0	15	0.0000008	0.0000006	0.0000007	+0.0000001
0.0000006	0.0000004	Genentech	0.00	0	15	0.0000006	0.0000004	0.0000005	+0.0000001
0.0000004	0.0000003	Boehringer	0.00	0	15	0.0000004	0.0000003	0.00000035	+0.00000005
0.0000003	0.0000002	Novartis	0.00	0	15	0.0000003	0.0000002	0.00000025	+0.00000005
0.0000002	0.00000015	Amgen	0.00	0	15	0.0000002	0.00000015	0.00000018	+0.00000003
0.00000015	0.0000001	Genentech	0.00	0	15	0.00000015	0.0000001	0.00000012	+0.00000002
0.0000001	0.00000008	Boehringer	0.00	0	15	0.0000001	0.00000008	0.00000009	+0.00000001
0.00000008	0.00000006	Novartis	0.00	0	15	0.00000008	0.00000006	0.00000007	+0.00000001
0.00000006	0.00000004	Amgen	0.00	0	15	0.00000006	0.00000004	0.00000005	+0.00000001
0.00000004	0.00000003	Genentech	0.00	0	15	0.00000004	0.00000003	0.000000035	+0.000000005
0.00000003	0.00000002	Boehringer	0.00	0	15	0.00000003	0.00000002	0.000000025	+0.000000005
0.00000002	0.000000015	Novartis	0.00	0	15	0.00000002	0.000000015	0.000000018	+0.000000003
0.000000015	0.00000001	Amgen	0.00	0	15	0.000000015	0.00000001	0.000000012	+0.000000002
0.00000001	0.000000008	Genentech	0.00	0	15	0.00000001	0.000000008	0.000000009	+0.000000001
0.000000008	0.000000006	Boehringer	0.00	0	15	0.000000008	0.000000006	0.000000007	+0.000000001
0.000000006	0.000000004	Novartis	0.00	0	15	0.000000006	0.000000004	0.000000005	+0.000000001
0.000000004	0.000000003	Amgen	0.00	0	15	0.000000004	0.000000003	0.0000000035	+0.0000000005
0.000000003	0.000000002	Genentech	0.00	0	15	0.000000003	0.000000002	0.0000000025	+0.0000000005
0.000000002	0.0000000015	Boehringer	0.00	0	15	0.000000002	0.0000000015	0.0000000018	+0.0000000003
0.0000000015	0.000000001	Novartis	0.00	0	15	0.0000000015	0.000000001	0.0000000012	+0.0000000002
0.000000001	0.0000000008	Amgen	0.00	0	15	0.000000001	0.0000000008	0.0000000009	+0.0000000001
0.0000000008	0.0000000006	Genentech	0.00	0	15	0.0000000008	0.0000000006	0.0000000007	+0.0000000001
0.0000000006	0.0000000004	Boehringer	0.00	0	15	0.0000000006	0.0000000004	0.0000000005	+0.0000000001
0.0000000004	0.0000000003	Novartis	0.00	0	15	0.0000000004	0.0000000003	0.00000000035	+0.00000000005
0.0000000003	0.0000000002	Amgen	0.00	0	15	0.0000000003	0.0000000002	0.00000000025	+0.00000000005
0.0000000002	0.00000000015	Genentech	0.00	0	15	0.0000000002	0.00000000015	0.00000000018	+0.00000000003
0.00000000015	0.0000000001	Boehringer	0.00	0	15	0.00000000015	0.0000000001	0.00000000012	+0.00000000002
0.0000000001	0.00000000008	Novartis	0.00	0	15	0.0000000001	0.00000000008	0.00000000009	+0.00000000001
0.00000000008	0.00000000006	Amgen	0.00	0	15	0.00000000008	0.00000000006	0.00000000007	+0.00000000001
0.00000000006	0.00000000004	Genentech	0.00	0	15	0.00000000006	0.00000000004	0.00000000005	+0.00000000001
0.00000000004	0.00000000003	Boehringer	0.00	0	15	0.00000000004	0.00000000003	0.000000000035	+0.000000000005
0.00000000003	0.00000000002	Novartis	0.00	0	15	0.00000000003	0.00000000002	0.000000000025	+0.000000000005
0.00000000002	0.000000000015	Amgen	0.00	0	15	0.00000000002	0.000000000015	0.000000000018	+0.000000000003
0.000000000015	0.00000000001	Genentech	0.00	0	15	0.000000000015	0.00000000001	0.000000000012	+0.000000000002
0.00000000001	0.000000000008	Boehringer	0.00	0	15	0.00000000001	0.000000000008	0.000000000009	+0.000000000001
0.000000000008	0.000000000006	Novartis	0.00	0	15	0.000000000008	0.000000000006	0.000000000007	+0.000000000001
0.000000000006	0.000000000004	Amgen	0.00	0	15	0.000000000006	0.000000000004	0.000000000005	+0.000000000001
0.000000000004	0.000000000003	Genentech	0.00	0	15	0.000000000004	0.000000000003	0.0000000000035	+0.0000000000005
0.000000000003	0.000000000002	Boehringer	0.00	0	15	0.000000000003	0.000000000002	0.0000000000025	+0.0000000000005
0.000000000002	0.0000000000015	Novartis	0.00	0	15	0.000000000002	0.0000000000015	0.0000000000018	+0.0000000000003
0.0000000000015	0.000000000001	Amgen	0.00	0	15	0.0000000000015	0.000000000001	0.0000000000012	+0.0000000000002
0.000000000001	0.0000000000008	Genentech	0.00	0	15	0.000000000001	0.0000000000008	0.0000000000009	+0.0000000000001
0.0000000000008	0.0000000000006	Boehringer	0.00	0	15	0.0000000000008	0.0000000000006	0.0000000000007	+0.0000000000001
0.0000000000006	0.0000000000004	Novartis	0.00	0	15	0.0000000000006	0.0000000000004	0.0000000000005	+0.0000000000001
0.0000000000004	0.0000000000003	Amgen	0.00	0	15	0.0000000000004	0.0000000000003	0.00000000000035	+0.00000000000005
0.0000000000003	0.0000000000002	Genentech	0.00	0	15	0.0000000000003	0.0000000000002	0.00000000000025	+0.00000000000005
0.0000000000002	0.00000000000015	Boehringer	0.00	0	15	0.0000000000002	0.00000000000015	0.00000000000018	+0.00000000000003
0.00000000000015	0.0000000000001	Novartis	0.00	0	15	0.00000000000015	0		





NYSE

Wednesday's Closing
Table includes the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

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Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

Table with columns: 12 Month High, Low, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various stocks and their prices.

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The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-monthly; (m) - monthly; (q) - quarterly; (a) - annually.

Table with columns: Fund Name, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists various international funds and their prices.

NEW HIGHS

Table with columns: Fund Name, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists funds that have reached new high prices.

NEW LOWS

Table with columns: Fund Name, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists funds that have reached new low prices.

ADDITIONAL FUNDS

Table with columns: Fund Name, Div, Yld, PE, 52 Week High, Low, Last Sale, Change. Lists additional funds available for investment.

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# BUSINESS

International Herald Tribune, Thursday, May 27, 1993

### THE TRIB INDEX 102.81

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

5/27/93 close: 102.81  
Previous: 101.74

The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.	% change
Asia/Pacific	25%	116.29	113.54	+2.42
Europe	40%	98.00	97.82	+0.18
N. America	35%	95.56	95.88	-0.32

Industrial Sectors	Wtd. close	Prev. close	% change
Energy	101.83	101.84	-0.01
Utilities	109.91	109.31	+0.55
Finance	106.10	103.42	+2.59
Services	114.29	114.06	+0.20
Capital Goods	101.71	100.35	+0.76
Raw Materials	108.43	102.50	+0.82
Consumer Goods	92.13	89.64	+0.55
Miscellaneous	104.52	105.17	-0.62

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## The Welfare State Under Siege

### EC Debate: Is the Safety Net Strangling Job Growth?

By Tom Buerkle  
*International Herald Tribune*

BRUSSELS — A battle is looming over pruning back the welfare state as officials in Brussels seek to get Europe back to work.

For most of the past two decades, Europe has had a significantly higher unemployment rate than the United States or Japan and kept social peace by offering extensive protection to those with jobs and generous benefits to those without.

But with Europe spiraling deeper into recession, the level of joblessness is becoming politically and economically untenable. Some 17.4 million people, or 10.2 percent of the labor force, are unemployed in the European Community, and officials say the rate looks certain to rise past the 11 percent peak reached in 1985.

Jacques Delors, the president of the Commission, told the European Parliament in Strasbourg Wednesday that this "waste" of human resources was costing the Community the equivalent of twice the economic output of Belgium and Portugal combined.

What is worse, Europe's deepened treasuries are too depleted to spend their way out of the problem. And economic growth alone is not the answer, because widespread restructurings are needed to restore Europe's competitiveness with North America and Asia.

Henning Christophersen, the EC commissioner for economic affairs, said this week that even if a recovery began in 1994, industry's pressing need to economize meant that unemployment would not begin to fall until 1995 or 1996.

That outlook has EC officials questioning not only whether Europe can continue to afford one of the world's most extensive social safety nets, but also whether the cost of social protection is a root cause of its joblessness.

"It is no use complaining about growing unemployment and the problems of competitiveness of the economy if you are not prepared, when considering social legislation, to look at the comparative level of burdens imposed in our major competitive countries such as Japan and the United States," said Sir Leon Brittan, the EC commissioner for external economic affairs.

The cost of labor is one of the prime targets of a new EC program, unveiled by Employment Commissioner Padraig Flynn on Wednesday, aimed at getting member states to spur job growth over the next 18 months.

Separately, Mr. Delors was ordered to study on how to improve the Community's record on growth, jobs and competitiveness. In his speech in Strasbourg, he expressed deep concern at Europe's falling share of global exports — to 16 percent today from 21 percent in 1980 — and the fact that Europe created jobs at less than one-third the rate of the United States during the 1980s.

European leaders will have to consider a "new form of development" when they hold their summit meeting in Copenhagen on June 21 and 22, he said.

Talk of tampering with job security and social benefits remains an explosive issue, however, even at a time of massive unemployment. The Commission has already shifted onto the defensive over fears that it would seek to trim Europe's generous social benefits and encourage an American-style growth of low-skill, low-wage jobs in the service industry — which would be anathema to European unions.

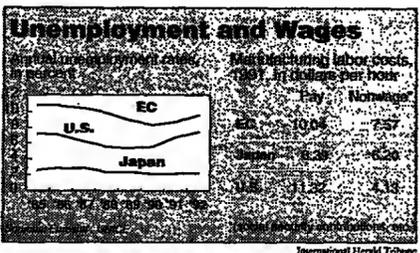
"There's no question of the Commission putting in question the welfare state as such," said one official involved in the program unveiled by Mr. Flynn, who spoke on condition of anonymity. Although officials stress that nothing will be excluded from the debate over the program, they say it will explore using benefits to attract the unemployed into training programs and shifting the financing away from payroll taxes, rather than slashing benefits.

The plan also seeks to encourage job-sharing and promote services and environmental work as possible areas of job growth, among other things.

But Dennis Snower, an economics professor at Birkbeck College in London, said such "supply-side tinkering" would not begin to address Europe's employment problems. "Nothing short of doing something to eliminate the disincentive to work is going to go a long way," he said.

Mr. Snower said that for Europe's economy to respond to today's structural changes and competitive pressures, it must reduce the gap between job-market "insiders" — the employed who remain well-paid and relatively well-protected — and the unemployed "outsiders," whose prospects of finding work are steadily diminishing.

One way to accomplish this, he said, would be to reduce the cost of hiring and firing workers, which is heightened by the hefty severance packages and long notice periods that are now widely



## Yen Soars Anew Despite Action By Central Bank

Compiled by Our Staff From Dispatches

The rising yen continued to do just that on Wednesday, despite intervention by the Bank of Japan and statements by the U.S. Treasury.

The mighty Japanese currency moved to a record of 108.40 during the trading day, before easing slightly to close at 108.45. The yen also set a record against the German currency, at 66.50 to the Deutsche mark, compared with the old record of 67.37 yen to the mark set Monday.

The dollar's latest bout of weakness began Tuesday with statements by the U.S. Treasury undersecretary, Lawrence E. Summers, about the Japanese trade surplus, which hit a record last month. On Wednesday, he backpedaled by saying that the United States did not seek any additional yen appreciation — but that did not boost the dollar to any significant extent.

In remarks to a committee of small businesses in the House of Representatives, Mr. Summers said there was "absolutely no intention" by the Treasury, in its report released Tuesday on foreign-exchange rates, to signal any alteration of U.S. policy. That may be so, said analysts, but the Treasury statement Tuesday did stir a huge rally in the yen, bringing it to a fresh record.

There were rumors that both the Bank of England in Europe and the Federal Reserve in the United States were intervening by buying dollars to try to depress the yen.

In Tokyo, Bank of Japan Governor Yasuichi Mieno said the yen-dollar rate was too volatile and called for joint intervention by the Group of Seven industrialized countries to stabilize the currency market.

Speaking to the lower house budget committee of Japan's Diet, Mr. Mieno said the currency market should reflect economic fundamentals. He said other G-7 central banks should join the Bank of Japan in preventing exchange-rate volatility.

G-7 countries meeting in Washington last month agreed that too much volatility in exchange markets was not desirable and pledged to intervene to stabilize exchange rates, Mr. Mieno said.

Japanese exporters' earnings are hurting because of the strong yen, slowing the country's economic recovery, Mr. Mieno said. A strong yen is generally good for the Japanese economy, but the yen's rise came at a bad time, he said.

Currency-market participants incorrectly interpreted the U.S. Treasury report Tuesday, Mr. Mieno said. The report, which said a stronger yen could help curb Japan's trade surplus with the United States, does not represent a shift in the U.S. position on the exchange rate, he said.

"The U.S. monetary stance has not changed, according to Fed officials I talked to," Mr. Mieno said. U.S. officials still believe that artificial manipulation of the currency market is not desirable and that the

Antiquit

## INTERNATIONAL MANAGER

### Care and Planning Pay Off In Handling Expatriates

By Philip Crawford  
*Special to the Herald Tribune*

PARIS — A growing number of companies that are now "going global" are working harder at assuring expatriate employees that they will have jobs when they return home, and that their families will be prepared to cope with everyday setbacks such as the loss of a child's favorite television show or familiar brand of cookies in a foreign land.

Have grizzled bottom-line CEOs suddenly discovered a well of avuncular warmth within themselves? Not necessarily. Perhaps dearer to their hearts is the realization that aborted or unsuccessful international assignments cost the company dear.

This realization has turned the expatriate-services units of global accounting concerns into growth areas and sparked heavy demand for such relatively new lines of business as international human-resources consulting.

"Companies used to say all the right things to foreign-assignment candidates, but translating the lip service into reality was another matter," said Michael Loewe, international personnel manager for Volkswagen of America, the U.S. subsidiary of Germany's Volkswagen AG. "But many companies, especially those which have been dealing with expatriates for a long time, are realizing that thorough assignment planning and the preparing of employees and their families for the foreign experience are a matter of survival."

With the cost of moving a family of four from one European country to another or between Europe and the United States estimated at three to five times the worker's annual base salary — and perhaps double that if the assignment is to Japan — it has become important for chief executives to monitor the most common reasons for a failed assignment.

At one end of the spectrum is the scenario of an employee arriving abroad and discovering that even the most basic matters — such as how he or she will be paid — have not yet been worked out. Postings made on short notice are notorious for such snafus, which often leave the expatriate feeling bitter toward his employer.

A more common reason for an executive to terminate a foreign assignment prematurely, however, is the inability of the family to adjust to life abroad.

To avoid these problems, companies are turning increasingly to firms such as Colorado-based Moran, Stahl & Boyer International.

See OVERSEAS, Page 14

## German Court Denies GM Bid to Block López

By Ferdinand Protzman  
*New York Times Service*

BONN — A Frankfurt court rejected Wednesday a request by General Motors Corp. for an injunction to prevent the seven managers who followed José Ignacio López de Armentia from GM to Volkswagen to March on working for the German automaker for a year.

The decision by the Frankfurt State Court's civil chamber was the latest twist in a complex and increasingly acrimonious legal battle between the world's largest automaker and the European giant over the circumstances surrounding Mr. López's hiring and his actions since joining VW.

The injunction request was filed by GM's German subsidiary Adam Opel AG, which has also filed a criminal complaint against Mr. López and the seven former GM and Opel purchasing executives on the grounds that they committed industrial espionage by taking trade secrets and documents.

The Darmstadt state prosecutor's office said Tuesday it had enough evidence to begin an investigation based on that criminal complaint. However, it could take more than six months before the prosecutors decide whether to file charges against the Spanish executive and his fellow workers.

Mr. López and his colleagues say they moved to VW on their own and took nothing belonging to GM with them.

Hans-Peter Blechinger, a Volkswagen spokesman, said the ruling was in response to a legal countersuit filed by the seven former GM employees — four Spaniards, two Dutch and one Belgian — in labor court. Under German labor law, Mr. López cannot be party to that suit because he is a member of the company's board of directors.

The Frankfurt court said it would not publish its reasons for rejecting the request for several months.

Opel apparently failed to convince the court that the case was one of unfair competition. Opel's lawyers argued that its former employees gave Volkswagen an unfair competitive edge because they "bear secrets" giving VW "unique know-how" that could cause Opel "gigantic damage."

Volkswagen's lawyers argued that the men possessed no secrets other than having been trained by Mr. López, who has built an international reputation as the toughest cutter in the auto industry.

In April, Opel was granted a temporary injunction prohibiting VW or Mr. López, who is now its head of production and purchasing, from trying to hire Opel employees.

Mr. López and Volkswagen hailed the court's decision. "We came to Volkswagen voluntarily," Mr. López said in a prepared statement. "Every person has free choice of his place of employment."

Mr. Blechinger said that VW's chairman, Ferdinand Piëch, denied that he had wooed Mr. López away from GM and was paying him \$20 million over the next three years. "He said that Mr. López approached Volkswagen before Christmas last year," Mr. Blechinger said, "and they found out that they think in very similar ways about the European auto industry."

Mr. Piëch also claimed that Mr. López had less income now than he earned with GM. In St. Gallen, Switzerland, Mr. López told a management symposium that he had decided to leave GM because he wanted to work in Europe and help rebuild its industrial base, according to Bloomberg Business News. A native of Spain, he said he had three priorities in life — "my country, my family, my career."

## Europe's Chipmakers Urged to Seek New Outlets

By Mitchell Martin  
*International Herald Tribune*

MUNICH — The European semiconductor industry missed its chance to profit from a spurt in personal-computer sales and should concentrate its efforts on chips used in automobiles, telecommunications and the potentially huge market for hand-held computing devices, a leading industry research company said Wednesday.

Analysts from Dataquest Inc. suggested that Intel Corp. would remain its dominator of the global market for microprocessors, the chips that essentially do the thinking in personal computers.

Figures from Dataquest, a subsidiary of Dun & Bradstreet Corp., showed that last year Intel and Motorola Corp. had huge gains in sales in the overall market for European semiconductors. This reflected demand for personal computers and, in the case of Motorola, for telecommunications and automotive applications.

The analysts also said European companies had not invested enough money in research, and their investments had been poorly timed, failing to take advantage of opportunities to finance emerging technologies. This is one reason companies such as Philips Electronics NV and Siemens AG are losing market share to American and Japanese competitors in semiconductors, one of the few industries expected to show double-digit sales growth in coming years.

Dataquest predicted 19.5 percent growth for the European semiconductor industry this year and 11.9 percent annually through 1997. Much of this is expected to be in memory and processing chips used in PCs, where demand has pushed sales much higher.

But falling prices have trimmed profit margins. The analysts said that in the first quarter of this year, the number of chips used in personal computers rose 20 percent from the like period a year earlier, but their value was 3 percent less. Computer sales have been gaining strength since the second half of last year, despite the weak European economy, Dataquest said.

Much of the European chip market is being grabbed by U.S.-based companies. Last year, although

Philips was the leader, its sales fell 0.5 percent, to \$1.13 billion. It thus barely held its lead against Intel, which had sales of \$1.136 billion. But Intel sales were 48.5 percent above 1991 levels, reflecting its stranglehold on the market for processing chips used in top-of-the-line personal computers.

Mike Glennon, a senior analyst at Dataquest, said he expected Intel to remain the dominant maker of microprocessors for at least the next three years. Because many computer users have purchased programs that work with its chips, they are unlikely to switch to different systems and see their software investments disappear, he added.

Motorola was third, with sales of \$975 million, up 25.6 percent. The company makes the processing chips used by Apple Computer Inc., Motorola, Apple and International Business Machines Corp. hope to challenge Intel with their upcoming powerPC chips, IBM personal computers currently use Intel's chips.

The No. 2 Europe-based chipmaker, Siemens, saw its sales in the continent's market tumble 6 percent, to \$912 million. That put it in

fourth place. SGS Thomson Microelectronics BV was fifth, its sales up 4.7 percent to \$895 million.

Dataquest said the European chipmakers should abandon the expensive proposition of competing in microprocessors.

One area in which European companies have substantial strength, and one in which Dataquest suggested they build, is telecommunications. European companies such as Alcatel NV, Siemens and Ericsson AB account for half the worldwide telecoms market, and the application-specific chips they often use are an area in which European chipmakers can concentrate. The sector is booming, and the convergence of telephone, cable-television and computing technologies is likely to fuel its expansion.

Chips used in cars is another growth area that Dataquest identified as being ripe for European expansion. The number of chips used in cars is rising, despite contraction in the European car mar-

ket. Semiconductors are employed for safety and convenience functions, including airbags, and in power-train control.

Dataquest also said European companies should consider supplying chips for personal digital assistants. These hand-held devices, combining phone, facsimile and computing abilities, are a potentially huge market.

## State Asks Swissair for New Plan

Reuters

BERN — The Swiss government said Wednesday it was worried by Swissair's planned link with three other European airlines and asked the company to present alternative proposals for its future.

A government spokesman, Achille Casanova, said after a cabinet meeting that the government was concerned that the independence of the national flag carrier could be endangered in the medium term.

"Swissair is not any old company, but a trademark for our country," he said.

Swissair, KLM Royal Dutch Airlines, Scandinavian Airlines System and Austrian Airlines are working on a plan to set up a joint operating company by 1994.

The alliance would be the second largest group in the European airline industry, with a 20 percent share of the European market.

A spokesman for Swissair, Peter Gutknecht, said the airline was preparing a formal response to the government.

### CURRENCY & INTEREST RATES

Eurocurrency Deposits									
	1 month	3 months	6 months	1 year	2 year	3 year	4 year	5 year	7 year
London	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Frankfurt	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Paris	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Brussels	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Amsterdam	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Geneva	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Zurich	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Basel	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Madrid	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Barcelona	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Valencia	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Bilbao	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Seville	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
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Sevilla	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
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Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
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Cordoba	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Sevilla	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
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Cordoba	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Sevilla	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Malaga	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Cordoba	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Sevilla	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Malaga	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Cordoba	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Sevilla	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Granada	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Malaga	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4	3 1/4
Cordoba	3 1/4	3 1/4	3 1/4	3 1/4					

Page 14 MARKET DIARY

Dow Hits a Record As Rates Decline

Bloomberg Business News NEW YORK — A decline in long-term interest rates Wednesday helped push the Dow Jones industrial average to a record high.

The Dow rose 25.53 points to 3,540.16, eclipsing the previous high of 3,523.28. The gain on the New York Stock Exchange was further fueled by ex-

Intel's stock rallied 6 1/2 to 110 1/2 after a Merrill Lynch analyst raised his 1994 earnings estimate on the semiconductor maker by 20 percent to \$14 a share.

A majority of the stock market's gain took place in the final 10 minutes of trading, when the yield on the benchmark 30-year government bond fell below 7 percent to a low of 6.93 percent.

The decline in interest rates was buoyed by the Treasury's successful sale of \$11.034 billion in five-year notes and the Commerce Department's report that durable-goods orders were flat in April, providing more evidence of a sluggish economic recovery.

Spectrum Information Technologies Inc. was the most active issue, slumping 1 1/2 to 4. The developer of wireless transmission technologies said it and some of its executives were the subjects of several lawsuits charging they misrepresented the value of a patent-licensing agreement with American Telephone & Telegraph Co. The stock is down 66 percent in the past five sessions.

Novell Inc. led 2 1/2 to 29 1/2. The company said second-quarter net income climbed to 26 cents a share from 20 cents. The software company's results matched analysts' estimates, but prompted analysts at Lehman Brothers and Piper Jaffray & Hopwood Inc. to lower their investment ratings on the stock.

N.Y. Stocks

Expectations that President Bill Clinton's deficit-reduction plan would be passed by the House of Representatives, and by some big advances in computer stocks, chiefly IBM and Intel Corp.

"Interest rates are down and it looks like Clinton's economic plan is going to get House approval," said Richard Meyer, head of institutional trading at Ladeberg, Thalmann & Co. "That's a good combination for stocks."

Shares of International Business Machines Corp. accounted for almost one-quarter of the average gain. IBM gained 2 1/2 to 25 1/2, a Merrill Lynch report that said the company's disk-drive and personal-computer businesses were improving.

The Nasdaq Combined Composite Index soared 9.05 to 704.09, closing above 700 for the first time since Feb. 5. The index's record is 708.85, set on Feb. 4.

YEN: Fresh Record, Despite Brakes

(Continued from first finance page) G-7 countries should ensure that the market reflects economic fundamentals, he said.

In St. Gallen, Switzerland, meanwhile, a senior Japanese trade official criticized the U.S. administration's stepped-up pressure on Japan to narrow its trade surplus.

Noboru Hatakeyama, vice minister for international affairs at the Ministry for International Trade and Industry, said the focus of the administration's efforts had so far all involved one form or another of managed trade, something he said the Japanese government opposed.

Mr. Hatakeyama gave an example of the idea of setting import targets, or linking trade-surplus reductions to economic indicators such as gross domestic product.

"Market decisions, not government decisions determine the size of the trade surplus," Mr. Hatakeyama said. "We have done a lot already to stimulate our economy with the wish to increase our imports."

The Japanese official, speaking at a press conference at an international management symposium, also said that Japan imports more goods from the United States, on a per-capita basis, than America imports from Japan.

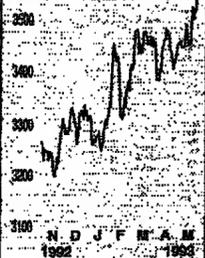
Foreign Exchange

In New York, the dollar's close of 108.45 yen was down from 109.40 on Tuesday. The U.S. currency also lost ground against the Deutsche mark, slipping to 1.6285 from 1.6306, and against the Swiss franc, slipping to 1.4545 francs from 1.4560. The dollar was also lower at 5.482 French francs, compared with 5.491. The pound gained to \$1.5475 from \$1.5425.

Elsewhere, the Spanish peseta fell to 77.84 to the mark, from 76.35, amid speculation about interest-rate cuts and political uncertainty ahead of a June 6 election.

(Knight-Ridder, AFP, Bloomberg, Reuters)

The Dow



Daily Source of the Dow Jones Industrial Average

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Actives.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg. for Dow Jones Averages.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Chg. for Standard & Poor's Indexes.

NYSE Indexes

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NASDAQ Indexes

Table with columns: Index, High, Low, Last, Chg. for NASDAQ Indexes.

AMEX Stock Index

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Dow Jones Bond Averages

Table with columns: Bond, High, Low, Last, Chg. for Dow Jones Bond Averages.

Market Sales

Table with columns: Index, High, Low, Last, Chg. for Market Sales.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, High, Low, Last, Chg. for N.Y.S.E. Odd-Lot Trading.

NYSE Diary

Table with columns: Index, High, Low, Last, Chg. for NYSE Diary.

Amex Diary

Table with columns: Index, High, Low, Last, Chg. for Amex Diary.

NASDAQ Diary

Table with columns: Index, High, Low, Last, Chg. for NASDAQ Diary.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Last, Chg. for EUROPEAN FUTURES.

Food

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Metals

Table with columns: Index, High, Low, Last, Chg. for Metals.

Stock Indexes

Table with columns: Index, High, Low, Last, Chg. for Stock Indexes.

Dividends

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U.S. FUTURES

Table with columns: Index, High, Low, Last, Chg. for U.S. FUTURES.

Grains

Table with columns: Index, High, Low, Last, Chg. for Grains.

Metals

Table with columns: Index, High, Low, Last, Chg. for Metals.

Livestock

Table with columns: Index, High, Low, Last, Chg. for Livestock.

Food

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Financial

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Stock Indexes

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Commodity Indexes

Table with columns: Index, High, Low, Last, Chg. for Commodity Indexes.

U.S. / AT THE CLOSE

Durable-Goods Orders Flat in April

WASHINGTON (Reuters) — Orders for U.S. durable goods were flat in April, the Commerce Department said Wednesday, while order backlog shrank to its lowest level in four-and-a-half years as the manufacturing sector contracted.

That performance followed a revised report in orders of 3.7 percent in March that previously had been reported as a 3.4 percent decrease. The April figures were much weaker than expected by Wall Street economists, who had forecast a 10 percent rise in orders. April orders had been expected to rebound from March, when severe weather hampered production in some industries. But the report showed not only unchanged order volume but also fewer shipments of finished products.

Total new orders in April were worth \$130.3 billion.

Tandy Drops Spin-Off, Sells Assets

IRVINE, California (Combined Dispatches) — Tandy Corp., backing away from an earlier spin-off plan, said Wednesday that instead it would sell all its personal-computer manufacturing plants and its GRID pen-based computing unit to AST Research Inc. for \$175 million.

The move signals that Tandy is abandoning its earlier plan to spin off the billion-dollar T Electronics unit that owns the PC manufacturing and GRID operations.

AST said it had signed a letter of intent for the PC operations and that the \$175 million would be paid in cash and promissory notes. Tandy assets to be purchased will include GRID, Tandy-GRID Europe and computer-manufacturing plants in Texas and Scotland.

Tandy-GRID Systems was America's seventh-largest personal-computer vendor in 1992, with a market share of 3.4 percent, while AST ranked eighth, with a market share of 2.8 percent. News of the deal boosted Tandy's stock \$2 to \$31.125 by the close in New York. (UPI, Bloomberg)

Blue Cross to Merge Units in 3 States

CHICAGO (Combined Dispatches) — Blue Cross and Blue Shield said Wednesday it intended to merge its Illinois, Iowa and South Dakota operations into a new company that would make it the second-largest behind California in terms of reserves.

The merger, subject to state approval, combines Blue Cross and Blue Shield of Illinois with IASD Health Services Corp., which operates Blue Cross and Blue Shield of Iowa and Blue Cross of South Dakota.

The merger would create a company with reserves of \$740 million and a client base of more than 3.6 million people. (UPI, AP)

OVERSEAS: Caring and Saving

(Continued from first finance page) Indeed, many companies now require prospective expatriates and their families.

"The test is based on empirical research, using data from over 10,000 expatriates compiled over a 30-year period," said Gary Wederspan, a vice president of the firm.

Paul Stepan, who oversees compensation benefits for expatriates in 20 countries for the farm-vehicle manufacturer New Holland NV, a subsidiary of Fiat SpA, said language ability was a major factor in the adjustment process.

WORLD STOCK MARKETS

Table with columns: Market, High, Low, Last, Chg. for WORLD STOCK MARKETS.

Amsterdam

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Brussels

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Frankfurt

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Nairobi

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Paris

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Rio de Janeiro

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U.S. / AT THE CLOSE

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Zurich

Table with columns: Index, High, Low, Last, Chg. for Zurich.

U.S. / AT THE CLOSE

Durable-Goods Orders Flat in April

WASHINGTON (Reuters) — Orders for U.S. durable goods were flat in April, the Commerce Department said Wednesday, while order backlog shrank to its lowest level in four-and-a-half years as the manufacturing sector contracted.

That performance followed a revised report in orders of 3.7 percent in March that previously had been reported as a 3.4 percent decrease. The April figures were much weaker than expected by Wall Street economists, who had forecast a 10 percent rise in orders. April orders had been expected to rebound from March, when severe weather hampered production in some industries. But the report showed not only unchanged order volume but also fewer shipments of finished products.

Total new orders in April were worth \$130.3 billion.

Tandy Drops Spin-Off, Sells Assets

IRVINE, California (Combined Dispatches) — Tandy Corp., backing away from an earlier spin-off plan, said Wednesday that instead it would sell all its personal-computer manufacturing plants and its GRID pen-based computing unit to AST Research Inc. for \$175 million.

The move signals that Tandy is abandoning its earlier plan to spin off the billion-dollar T Electronics unit that owns the PC manufacturing and GRID operations.

AST said it had signed a letter of intent for the PC operations and that the \$175 million would be paid in cash and promissory notes. Tandy assets to be purchased will include GRID, Tandy-GRID Europe and computer-manufacturing plants in Texas and Scotland.

Tandy-GRID Systems was America's seventh-largest personal-computer vendor in 1992, with a market share of 3.4 percent, while AST ranked eighth, with a market share of 2.8 percent. News of the deal boosted Tandy's stock \$2 to \$31.125 by the close in New York. (UPI, Bloomberg)

Blue Cross to Merge Units in 3 States

CHICAGO (Combined Dispatches) — Blue Cross and Blue Shield said Wednesday it intended to merge its Illinois, Iowa and South Dakota operations into a new company that would make it the second-largest behind California in terms of reserves.

The merger, subject to state approval, combines Blue Cross and Blue Shield of Illinois with IASD Health Services Corp., which operates Blue Cross and Blue Shield of Iowa and Blue Cross of South Dakota.

The merger would create a company with reserves of \$740 million and a client base of more than 3.6 million people. (UPI, AP)

OVERSEAS: Caring and Saving

(Continued from first finance page) Indeed, many companies now require prospective expatriates and their families.

"The test is based on empirical research, using data from over 10,000 expatriates compiled over a 30-year period," said Gary Wederspan, a vice president of the firm.

Paul Stepan, who oversees compensation benefits for expatriates in 20 countries for the farm-vehicle manufacturer New Holland NV, a subsidiary of Fiat SpA, said language ability was a major factor in the adjustment process.

WORLD STOCK MARKETS

Table with columns: Market, High, Low, Last, Chg. for WORLD STOCK MARKETS.

Amsterdam

Table with columns: Index, High, Low, Last, Chg. for Amsterdam.

Brussels

Table with columns: Index, High, Low, Last, Chg. for Brussels.

Frankfurt

Table with columns: Index, High, Low, Last, Chg. for Frankfurt.

Hamburg

Table with columns: Index, High, Low, Last, Chg. for Hamburg.

London

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Madrid

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Milan

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Nairobi

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Paris

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Rio de Janeiro

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Sao Paulo

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Singapore

Table with columns: Index, High, Low, Last, Chg. for Singapore.

Tokyo

Table with columns: Index, High, Low, Last, Chg. for Tokyo.

Zurich



# Jakarta's Oil Squeeze Upsets Asia

## Exports Reduced as Demand in Indonesia Grows

**Compiled by Our Staff From Dispatches**

SINGAPORE — Coping with rising fuel demand and aging oil fields at home, Indonesia has started cutting back on its petroleum exports, a move that has serious ramifications for the Asia-Pacific region's energy market.

Indonesia, a member of the Organization of Petroleum Exporting Countries, is the region's top oil source and a major supplier to both Japan and China. However, policy-makers in Jakarta have ordered the state-controlled energy industry to keep more oil at home.

The main reason is that the archipelago's 180 million people and its industry already soak up nearly half of Indonesia's crude-oil output. That demand is bound to increase as the developing economy continues to grow.

But the diminishing of Indonesia's role could not come at a worse time. The fast-growing economies of the region are already heavily dependent on the volatile Middle East. Demand for everyday fuels such as gasoline, diesel and kerosene is now outstripping economic growth in Thailand, South Korea and Vietnam.

"Lower output and higher prices have forced Indonesia's customers to look as far as West Africa for alternatives," said a trader with a major oil company in Singapore. "It's a real difficult situation."

Exports of Indonesian crude oil and condensate, a light hydrocarbon, plummeted 11.1 percent in the fiscal year ended March 31, to 777,000 barrels per day, from 876,000 barrels, the country's state oil company, Pertamina, said this week.

Traders say Indonesian exports continue to fall. The result is that prices of sought-after crudes are steadily rising as buyers in the Far East scramble for barrels, especially in China,

where demand is growing by more than 10 percent a year.

All of this must be troubling to Beijing's energy planners. Despite China's vast untapped energy reserves, the country's fast-track economy is absorbing so much oil that it is expected to become a net importer by 1994.

Increases in the price of West African light low-sulfur grades, such as Rabi and Cabinda, are also affecting buyers in the United States, who have come to rely on West African crude.

Things may get even tighter this summer, when Japanese oil refiners, which have been shut down for scheduled maintenance, come back on line.

"The Japanese really haven't been buying on the spot market because of the refinery turnarounds," said a trader in Singapore who asked not to be named. "When they come back in June, watch out."

In addition to the crude-oil cutbacks, Indonesia is reducing shipments of a significant source of energy — known technically as low-sulfur waste residue — for Japanese electric power utilities.

Indonesia's rising demand for its own crude significantly affects the region's energy balance, said Shankar Sharma, a fellow of the Institute of Southeast Asian studies in Singa-

pore. Higher Indonesian crude consumption and lower exports indirectly increase Asia-Pacific's already huge dependence on oil imports from the Middle East. The region buys about 65 percent of its crude from the Gulf.

"So whenever there is a problem in the Middle East in terms of disrupted supply or political turmoil, this region will also have a problem," said Mr. Sharma, who believes Asia's security of supply is more precarious than that of the United States.

Indonesia is widely expected to become a net importer of oil before the end of the decade. Current total crude production is about 1.3 million barrels per day.

Last year, imports of diesel fuel rose more than 36 percent in response to higher demand for transportation fuels and increased use of diesel to power small electrical power generators. Petroleum Intelligence Weekly reported.

Pertamina's president, Faisal Abda'oe, confirmed this week in Jakarta that rising fuel imports and falling crude oil exports had cut significantly into his company's profits.

Pertamina's 1992 after-tax profit declined by 34.25 percent, to 708.86 billion rupiah (\$341.45 million), from 1.08 trillion rupiah a year earlier.

Meanwhile, Pertamina said it was considering fresh incentives for foreign oil contractors to entice them into exploring more remote and expensive parts of the archipelago.

"If necessary, we will consider giving incentives to speed up oil investment in frontier areas, especially in the eastern part of Indonesia," Mr. Abda'oe said.

He said incentives introduced in 1988 and 1989 had resulted in many new contracts. (Bloomberg, Reuters)

### Indonesia's 180 million people and its domestic industries already soak up half of crude output.

# Korean Economy Picked Up Pace In First Quarter

**Reuters**

SEOUL — South Korea posted growth figures Wednesday that government planners and economists said indicated the economy was showing signs of recovery after bottoming out at the end of last year.

But others contended that it was too early to judge whether the economy was turning upward.

The central bank, the Bank of Korea, said gross national product grew at an inflation-adjusted annual rate of 3.3 percent in the first quarter, far slower than 7.4 percent a year earlier. But the first-quarter growth compared favorably with a 2.8 percent rate in the final three months of last year, which was South Korea's slowest growth rate in 12 years.

"The 3.3 percent rise may not look impressive," said Park Sang-Chul, the central bank's director of statistics. "But we have to view the economy hit the bottom in the fourth quarter, and we would expect further improvement in the second and third quarters" of 1993. South Koreans, accustomed to double-digit GNP growth in the late 1980s, consider current growth levels low.

Some analysts had predicted the economy would slip into recession this year for the first time since 1980, when GNP contracted 3.7 percent.

GNP, the total value of goods and services produced by the country, increased at a 13-year low rate of 4.7 percent last year, after an 8.4 percent rise in 1991.

The Bank of Korea said exports of goods and services in the first quarter increased 12.1 percent, up from 5.3 percent in the fourth quar-

### Singapore Sees 7% Expansion

**The Associated Press**

SINGAPORE — Singapore's economy grew by 7.1 percent in the first quarter and is expected to expand by up to 7 percent for the full year, the Ministry of Trade and Industry said Wednesday.

Singapore's trade deficit widened to \$1.13 billion Singapore dollars (\$1.93 billion) in the first quarter, from \$1.59 billion a year earlier.

The expected improvement from 5.8 percent economic growth in 1992 was based on anticipated strong performance by other Southeast Asian economies. The first quarter was down slightly from 7.4 percent in the previous period, but up from 5.3 percent in the first quarter of 1992.

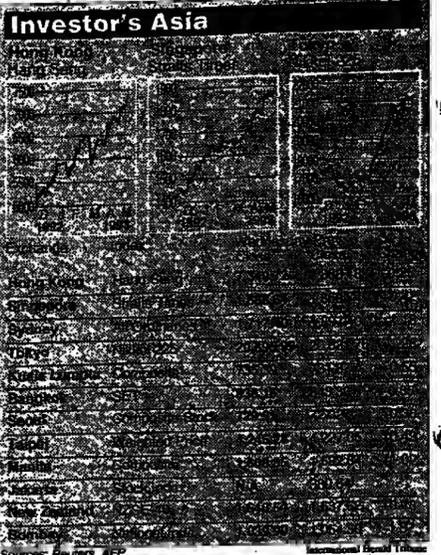
Kawasaki Heavy Industries Ltd. said group pretax profit rose 16.4 percent to 30.3 billion yen (\$261 million) in the fiscal year ended March 31, thanks to cost-cutting and streamlining of operations. The shipbuilder said sales edged up by 2.2 percent to 1.89 trillion yen.

Hitachi Maxell Ltd. has signed a contract allowing Germany's BASF Magnetics GmbH to produce magnetic tape for videocassettes for the European market. Hitachi will save freight costs and supply more quickly by producing in Germany rather than exporting.

Tokyo Electric Power reported an increase of 7.85 percent in current profit to 158.38 billion yen amid lower interest rates and a decline in crude-oil prices. Kansai Electric Power, meanwhile, reported a 12.69 percent drop in current profit to 123.57 billion yen for the same period.

Japan's lower house passed a 2.19 trillion yen supplementary budget for this year to help pay for a record stimulus package aimed at lifting Japan out of its long economic slowdown.

Qantas Airways faces retaliation from the United States should the Australian government attempt to restrict the New York-Osaka-Sydney routes of Northwest Airlines, according to a statement from Washington released in Sydney. (AFP, Bloomberg, AP)



### Very briefly:

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# FRENCH: Government Unveils Vast Sell-Off Plan for Major State Firms

**Continued from Page 1**

worried about "savagely capitalism" taking root in France and costing tens of thousands of people their jobs in demoralized companies, if, as expected, the new private owners seek to slash operating costs.

Joblessness in France has reached a postwar record, with more than 3 million people out of work, nearly 11 percent of the labor force. Mr. Balladur acknowledges that unemployment is likely to continue to grow for several more months and that it may take as long as five years to turn the economy around.

France has been trimming jobs and cutting investment largely because wage costs have become so high. Employers are said to be resisting taking on workers because of the amounts they would have to pay into the country's social welfare network.

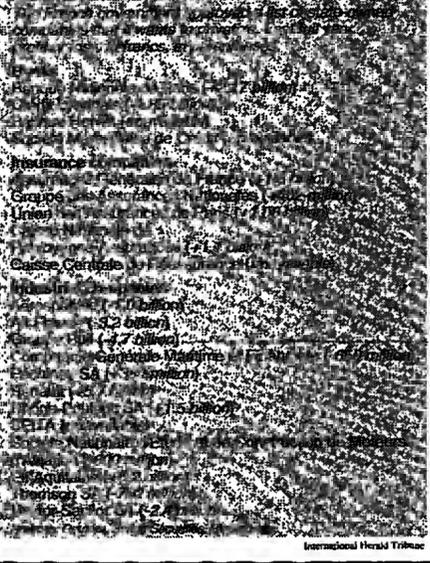
Finance Minister Edmond Alphandery said the government was convinced that by shrinking the state sector, France would unleash the energy and imagination of private enterprise and become able to compete more effectively.

"The world economy is evolving quickly," Mr. Alphandery said. "We recognize that a modern and competitive economy depends on decentralization of management decision-making."

The government's first target will be to publish a list of three to six companies by late June or early July that could be sold off rapidly. Mr. Alphandery said. The list would then establish a sequence for the companies' sale.

(W.P. Bloomberg)

### France Lists 21 Companies To be Privatized



# Nakamichi Deal Is Approved

**By Keith Bradsher**  
*New York Times Service*

WASHINGTON — The U.S. administration has decided not to cancel the sale of a high-technology producer of computer equipment to a Japanese corporation, according to a Treasury Department official.

A multibillion-dollar deal between Applied Magnetics Corp., based in Golden, California, and Nakamichi Corp., based in Tokyo, had provided adequate information on the national security implications of the sale of its laser-disk-drive unit to Nakamichi Corp., said the Treasury official, who requested anonymity.

No value was placed on the sale, but those familiar with the transaction said it was less than \$1 million because the unit employed only a few dozen people and had not built a market.

The Treasury official said Tuesday that the committee considered Nakamichi a reliable supplier and that any disruption was within acceptable levels of risk. The official said no disruption had occurred since the January sale.

The laser disk drive is used in the guidance system of the U.S. Navy's Trident missile system and is being tested for use in Patriot missiles.

Applied Magnetics is the only American producer of the type of laser disk drive used in the missiles, but the committee decided that the existence of other designs, though currently incomplete, was adequate for national security.

The decision was widely awaited among trade and industry officials in Washington as a sign of the openness of the administration to foreign investment.

Under U.S. law, purchases of American businesses by foreign interests must be examined by the eight-agency Committee on Foreign Investment. The law also requires a 30-day review, followed by a 45-day investigation if a transaction appears troublesome.

Applied Magnetics sought clearance for the sale in mid-December, forcing the Bush administration to make a decision in the case on Jan. 19, its last full day in office. It was decided that a 45-day investigation was not needed, and the sale was consummated.

Applied Magnetics did not tell the committee of the Trident missile application because the company did not know that one of its commercial customers was repackaging the drives for the military, the committee found.

Representative Cardiss Collins, Democrat of Illinois, criticized the decision. If a sole-source provider of a unique component for the guidance system of the Patriot missile program can be bought by a foreign firm without the Committee on Foreign Investment "even doing a full investigation, then I have to think it is time to consider strengthening the law," he said.

# Sharp Posts Steep Drop In Profit

**Compiled by Our Staff From Dispatches**

TOKYO — Battered by Japan's economic slump, Sharp Corp. posted Wednesday a 24.2 percent drop in group net profit, to 29.61 billion yen (\$271 million) in the year to March 31.

Sales slipped 2.6 percent to 1.48 trillion yen for the group and 4.1 percent to 1.15 trillion yen for the parent company, whose net profit fell 30.6 percent to 25.02 billion yen.

Sharp said business conditions were difficult during the past financial year, with increased unemployment and reduced growth in workers' salaries weighing on personal demand. (Reuters, AP)

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## AT HOME AND ABROAD, INVESTING IN QUALITY

Every night, Turks are treated to television commercials for as wide a range of consumer goods and services as might be found in any nation of the Organization of Economic Cooperation and Development. Whether the brand name is that of a multinational or a local company, more often than not the actual product is made in Turkey.

Over the past two decades, and especially since the early 1980s, Turkish society has witnessed a growth in consumer consciousness and demand — particularly among the increasingly affluent middle-class segment of the urban population.

The concentration of population growth within a relatively youthful age bracket in the cities means increasing demand for choice and consumerism. This has created a wide range of opportunities

for infusions of Western technology, management and marketing expertise into medium-scale manufacturing operations. Such infusions have already taken place across a wide range of goods.

Recognizing Turkey's burgeoning potential, foreign investors have responded to the government's open-door policies. From a previously closed command regime, the economy was reoriented outward in the 1980s, with sever-

al large greenfield projects coming forward at the close of the decade.

Since then, foreign investment has held up well in the face of the recession. The total amount of foreign-investment inflow rose to \$1.242 billion in 1992, compared with \$1.041 billion the year before. At present, investors are concentrating on buying into existing businesses, which offer immediate market shares, established distribution networks and local

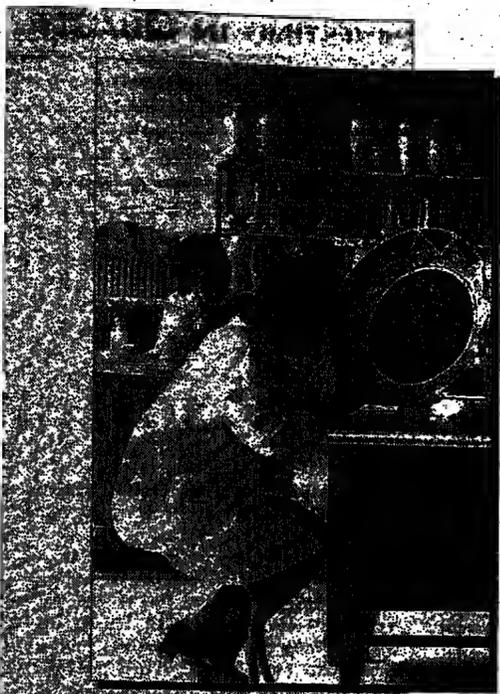
brands to which can be added those of the foreign company. The groundwork has been laid for rapid growth in better times.

The government has offered new incentives valued at 22 trillion Turkish liras (\$2.5 billion) to boost exports and investment in industry and tourism in 1993. Also aimed at increasing employment, the incentives include low-cost credits with interest ranging from zero to 40 percent, state subsidies in energy and transport, and land allocation for investors in less-developed parts of Turkey. In addition, the government plans to support small investors through the extension of venture capital.

Turkish industry has benefited and learned from the transfer of foreign technol-

ogy as well as the management and marketing skills that come with foreign investment. In many sectors, the nation is at the cutting edge of technology. In February, then-Prime Minister Suleyman Demirel, who succeeded Turgut Ozal as Turkey's president on May 16, opened Turkey's first microchip production facility, a \$60 million factory in Ankara owned by Turkiye Elektronik Sanayii ve Ticaret (TESTAS). The nation's capital has been designated as an investment center for high-tech industries, particularly those in the defense sector. Turkish standards have been brought up to meet international requirements, notably through the implementa-

Continued on Page 18



From ceramics to high tech, Turkey banks on quality.

## SMOOTH TRANSITION FOR THE NEW PRESIDENT

On May 16, the National Assembly elected former Prime Minister Suleyman Demirel, 68, as the ninth president of the Turkish Republic. The smooth transition assuaged fears that the country might plunge into a political crisis after the death of President Turgut Ozal on April 17.

Mr. Demirel's election is the pinnacle of a political career spanning seven premierships in three decades. Opinion polls show that the vast majority of Turks approve of having such an experienced man at the helm.

"The fact that such a lofty office has now been filled in great tranquility, in line with democratic rules and without any snags, constitutes a victory for Turkish democracy," Mr. Demirel said after being sworn in. He pledged to combine impartiality with involvement in big issues.

In his inaugural speech, Mr. Demirel stressed that Turkey's free-market development path into the next century will continue. "Turkey is now the name of a great country. It must use the next seven years in the best way. Turkey will enter a new century in these seven years. In the years beyond 2000, Turkey will be much more beautiful, happy and prosperous than we can imagine today.

"It is the individual people of our country, its collective millions and their creative power, that will lead Turkey to this goal, consisting of an effective and productive country with the advanced technology and competitiveness of the 2000s. As I begin this honorable duty bestowed on me with enthusiasm and sincerity, I would like to see a Turkey that preserves its democratic stability; that con-

tinues its development; that is not forced to make a choice in the triangle of bread, security and freedom, but possesses all three; that introduces and instills populism, liberalism and competition — not only in its political system, but also in its economy, press, business world, universities, associations and professional organizations; that eliminates monopoly in every field; that perpetuates the reforms which will lead the country into the 2000s; that launches new reforms which will keep up with world changes; that encourages, supports and trains the creative people who will undertake these reforms; that cooperates with the world to achieve peace; that grows and prospers in unity, solidarity, harmony, order and brotherhood; that accords the freedom of conscience, thought and religion to its nation; in which every child receives an education; in which everyone benefits from health services and is covered by a social-security umbrella; and in which everyone looks forward to the future with confidence."



President Demirel holding the flame.

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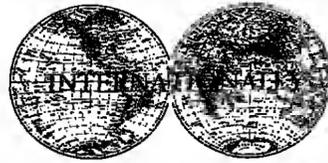
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For further information and a copy of our Annual Report (with audited financials) please contact: Mr. Adnan Akar, Executive Vice-President, 40 Nispetiye Caddesi, 80060 Teşvikiye-İstanbul Turkey. Tel: (90-11) 249 40 65 Tlx: 24558 galo tr Fax: (90-11251) 45 49

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# At Home and Abroad, Investing in Quality

Continued from Page 17

tion of standards drawn up by the Istanbul Chamber of Commerce (ISO).

Overall, Turkish industry has weathered the recession well. The profits of 50 leading companies quoted on the Istanbul stock exchange rose by 69.97 percent in 1992, keeping abreast of inflation.

Learning to balance domestic sales with exports, Turkish companies have reached out to markets around the world in the

past 10 years. Exports roughly tripled in value, to \$14.7 billion, between 1983 and 1992.

Turkey has made great strides toward the realization of the late President Turgut Ozal's vision of the country as a regional trading and industrial power by the early 21st century. Its main trading partners are still the other OECD states, especially those within the European Community. Turkey's trade with Middle East neighbors and North Africa remains strong despite the

Gulf crisis. From the mid-1980s onward, markets were opened up in the former Soviet Union on the back of an exchange of Siberian gas for Turkish goods and services.

While this exchange continues with the Russian Federation, Turkey also exports to and invests in the new Turkic states emerging from the dissolution of the Soviet Union in the trans-Caucasus region and Central Asia. This re-discovery of ethnic cousins has been underpinned by Turkish companies

Most large corporations recognize, however, that the bulk of Turkey's trade hinges on European markets. Though full EC membership still seems a long way off, the government has settled for a customs union by 1996.

Turkish industrialists point out that industry and commerce have already benefited from the process of adaptation required on the long road to EC integration.

## AUTOMOBILES

Domestic demand for cars, which increased by 36 percent in 1992, is setting the pace for established manufacturers and new entrants. By the beginning of the next century, total domestic demand is expected to rise to around 1 million units annually, compared with the 265,000 cars made and sold last year.

No longer are Turks starved for choice among a limited range of near-obsolete models made by plants with limited economies of scale established behind high import-substitution tariff barriers.

With the progressive introduction of new models during the last decade, the cars made in Turkey by

Fiat licensee Tofas, Oyak-Renault and Ford-licensee Otosan are for the most part as modern as those marketed internationally.

Since the late 1980s, other foreign carmakers have woken up to the potential of Turkey's domestic market and of the country as a regional export base or manufacturing center in vertical, multinational integration.

The first new entrant in the field was General Motors; it made an early start in autumn 1990, making Opel Vectra models in a plant near Izmir with a capacity of 25,000 units annually.

Encouraged by generous government incentives like tax holidays, Japan's

Toyota — together with the leading local corporation, Sabanci Holding — started construction in May last year of a large \$325 million complex near Adapazari.

The plant is due to begin production of Corollas in 1994, and it is expected to reach full capacity of 100,000 units annually midway through the second half of the decade. It will be the largest Japanese investment in Turkey to date. Meanwhile, Japan's Honda is also looking for a site for a similar-sized complex.

The automotive industry has become an important contributor to export earnings. In 1992, the sector's exports roughly dou-

bled, to \$644 million, and they are expected to do so again in 1993, to reach around \$1 billion.

One of the attractions for new foreign investors is a comparatively well-developed side industry, which is growing at a rate of 13 percent annually to keep pace with demand from home and abroad. Side industries now account for 73 percent of total exports.

More than 1,000 Turkish companies are involved in the manufacture of automotive components. The local content of vehicles made in Turkey averages 85 percent and, in some cases, reaches as high as 95 percent.

## AGRIBUSINESS

The agribusiness and agro-industry sector has vast potential in Turkey, one of the few countries in the world that is self-sufficient in food with a sizable export surplus; the latter is expected to at least double when the massive southeast Anatolian (GAP) development program is completed toward the end of the decade or early in the next century.

The food industry accounts for around 14 per-

cent of gross domestic product, while agro-industrial exports account for around 15 percent of total exports. Tomato-paste production and canning has long been a staple of the food industry.

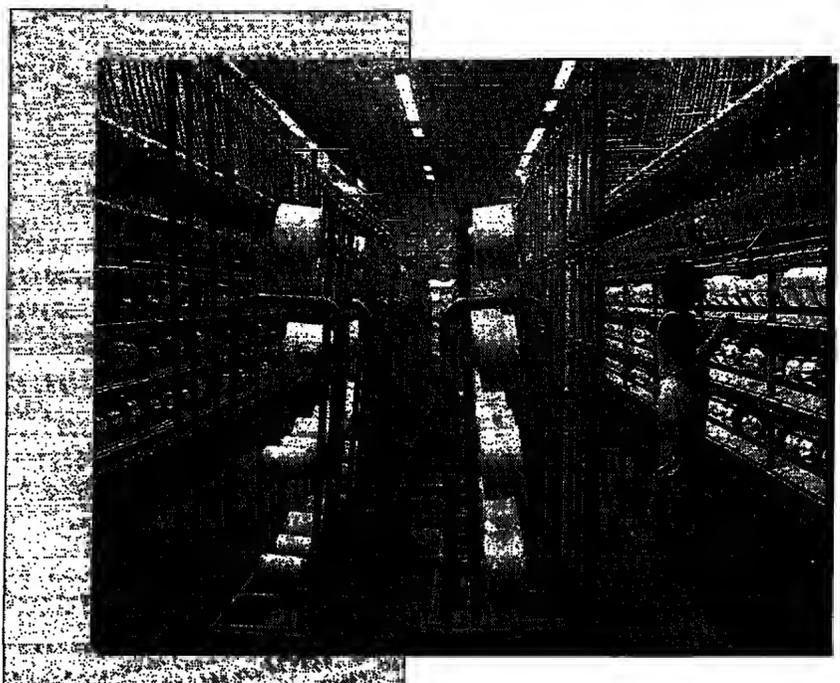
Foreign investment has recently centered in seed production, packaging and cigarettes. Especially good opportunities exist for manufacturers of processing machinery for meat, poultry, fresh fruit

and vegetables; the government has encouraged such investment recently by exempting packaging machinery from customs duties.

Internally, the market for processed foods is expanding fast, with the growth of large supermarket chains selling packaged foods rather than the loose sales in traditional corner-shop groceries. One of the largest corporations in packaged-food production is the Izmir-

based Yasar Holding group, with its meat- and milk-products operations.

The United States' Philip Morris, together with Sabanci Holding, is investing \$350 million in a cigarette plant near Izmir. Philip Morris brands already have an 8-percent share of the domestic cigarette market. In three years, the company plans to phase out its imports, replacing them with domestic production.



## TEXTILES

The motor of Turkish trade, particularly with the EC, has been the textile industry, both in cotton and artificial fibers. Despite the constrictions of EC quotas, textile exports have been increasing at a rate of nearly 10 percent annually during the last decade.

Since the early 1980s, textile manufacturers have shifted away from intermediate products like cotton yarn and gray cloth to capitalize on higher value-added earnings from fabrics and ready-to-wear clothing within the confines of quotas. Compared with the previous year, 1992 exports of ready-to-wear

products were up by 26 percent; cotton textiles, by 15.7 percent; and synthetic fibers, by 17 percent. At the same time, exports of cotton yarn dropped by 45.4 percent.

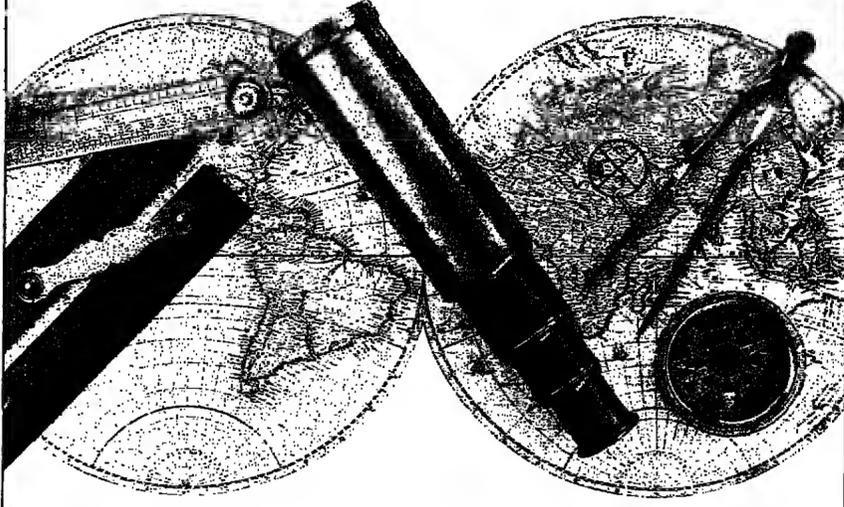
One of the gains Turkey made from siding with the West during the Gulf War was an easing in U.S. and EC textile quotas. Textile manufacturers are hoping that output will pick up this year, with the EC's removal of a 12-percent antidumping tax and the lifting of a similar levy by Turkey on imports of cheap Pakistani cotton yarn.

In the first half of the 1990s, the textile sector is

expected to increase output by 9.6 percent annually, while its export capacity is expected to double over the period, to around \$7.2 billion. The textile-machinery park, however, is in urgent need of renewal, requiring some \$5 billion in fresh investment over the next five years if it is to compete internationally.

An important companion to the textile industry is leather. In the medium-term up to 1994, exports of leather ready-to-wear clothing, along with shoes and other goods, are expected to boost the leather industry's exports to an annual value of \$1.5 billion.

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IN QUALITY

**ELECTRONICS**

One of the fastest-growing and most dynamic sectors of Turkish manufacturing, the electronics industry is expanding at an annual rate of 20 percent. Growth is particularly strong in white goods and brown goods for both domestic consumption and export. Total sales turnover is expected to reach \$2.8 billion by 1994.

Companies like Arcelik (of the Koc Group) and Profilo are engaged in large expansion programs, with an eye to widening export openings in the West as well as in Eastern Europe and the Commonwealth of Independent States; in the latter markets, Turkish goods have found a niche between expensive Western imports

and poor-quality, obsolete local makes.

The country's leading producer of white goods, Arcelik achieved 11.5-percent real growth in its turnover in 1992, when total turnover reached \$1.2 billion. It also made investments worth 375 billion Turkish liras during the year; in 1993, the company is planning to double investments to 830 billion Turkish liras, including a new dishwasher plant in Ankara.

Of its planned output of 700,000 refrigerators in 1993, 43 percent is slated for export, marking an overall increase in exports by 80 percent over 1992. More than 50 percent of these shipments, totaling

300,000 units in 1993, will go to West European countries, and 8 percent will go to North Africa.

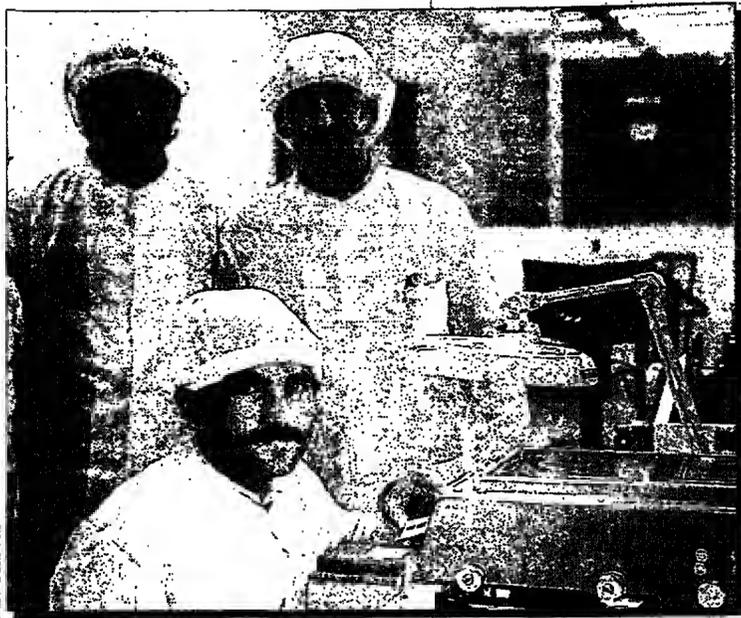
Investment programs for 1994 and 1995 will enable the company to reach an annual production capacity of 1.5 million refrigerators, while those for washing machines and dishwashers will be 1 million and 500,000 units respectively.

"Arcelik's aim is to stay in the first 10 big white-goods producers in the 2000s," says Nesil Giray, the company's assistant general manager.

Companies like Vestel make a wide range of television and audio goods for both domestic consump-

tion and export. In addition, Turkey is being lined up as a new base for the Japanese electronics industry, where the latter will first spur demand by the purchase of Turkish components and finished goods and later move in to satisfy rising local demand.

The two telecommunications joint ventures, Netas and Teletas, are building on their learning curve of the past decade in a burgeoning domestic market by branching out into the new Turkic republics. Turkish companies like state-owned Aselsan have long manufactured sophisticated communications equipment under Western licenses for both civilian and military use.



PHILIPPE BOURGEOIS

**CHEMICALS & PHARMACEUTICALS**

Turkey is particularly strong in domestic chemical production, and it has recently opened up markets in Eastern Europe and the CIS. The industry's annual exports amount to around \$500 million, or about 4 percent to 5 percent of total exports.

At present, there are around 300 companies in

production, almost 80 percent of them owned by the private sector.

Products include boric acid, caustic soda, sulfates, carbonates, percarbonates, borates, perborates, sodium dicromates, urea, dyes, rose oil and detergents.

An important subsector is pharmaceuticals, with domestic giants like the

Eczacıbasi Group established alongside such leading multinational names as Roche and Procter & Gamble.

The sector's output meets nearly 90 percent of domestic consumption. In addition, the pharmaceuticals industry has been exporting since 1978, mainly to Middle East and North African countries: since

the second half of the 1980s, it has developed significant market shares in the former Soviet Union.

Pharmaceuticals giant Eczacıbasi Holding has established drug manufacturing in Moscow, Alma-Ata and Samarkand, aiming to help meet demand for antibiotics, painkillers, stomach medicines and vitamins.

**IRON AND STEEL**

In both the massive state complexes and private-sector plants concentrated around Izmir, the Turkish iron and steel industry has made great progress in quality and capacity during the past few years. Ereğli Iron and Steel Works (Erdemir), for example, is in the process of a \$1.5 billion capacity-expansion and improvement pro-

gram; the company is partly owned by the state. Today, by means of advanced technology, the industry is capable of producing specialized steels for a diverse range of applications. The target for liquid steel by the end of 1994 is an annual output of 12 million tons, based on annual increases of 7.1 percent since 1990.

Output from arc-furnace mini-mills, situated mainly near Izmir, increased by 22.5 percent in 1992 to take the private sector's share of total output to 60 percent for the year, compared with 54 percent in 1991. This expansion has been driven both by exports and by a rise in internal demand, mainly from the construc-

tion industry. Turkish mills were booked out with export orders until mid-1993; the main markets are China and other Far East destinations, together with North Africa, Latin America and the Middle East. To increase added value, manufacturers are switching to finished products like reinforcing bars from raw billet steel.

**PETROCHEMICALS**

Demand for petrochemicals is racing ahead of internal capacity, with current needs met mainly by imports and state-owned Petki. The company operates two petrochemical complexes: the smaller one at Yarımcı and the larger one, which will be completed in the mid-1990s, in Aliaga. Thermoplastics demand is forecast to reach

1.2 million tons by the year 2000, or double the output in 1991. To meet this demand, Petkim plans to build four new production units to be commissioned by 1997, including a 57,000-ton-a-year carbon black plant already under negotiation with prospective joint-venture partners. In addition, six existing plants may also be

modernized. Petkim has developed a still more ambitious strategy to build a third petrochemical complex at a cost of around \$2 billion. Foreign investors are being courted with two departures from previous policy: Foreign partners in joint ventures can have majority ownership and complete control of management.

The nation's telecom companies are now exporting their high-tech expertise.

**TELECOMMUNICATIONS**

The telecommunications market in Turkey has greatly expanded in recent years. Communications and transport have headed the list of infrastructural development priorities in opening up the economy. The number of lines in telephone exchanges increased from 1.5 million to more than 9 million between 1983 and 1992.

Today, almost every village in the land is connected by telephone, and the sector has advanced to the degree that contracts were recently awarded for a mobile-telephone system covering the country's three main cities.

Turkish manufacturers, particularly the joint ventures Netas and Teletas, have played a vital role in

this development. Through their supply of switching and transmission gear, Netas and Teletas have bridged the transition from outmoded analogue to modern digital technology.

In addition, both have been part of the government's privatization program; the post, telegraph and telephone (PTT) administration is itself slated for denationalization in what will be the government's largest such undertaking yet.

Other important domestic contributors to the transformation have been Simko, Turk Siemens, TurkKablo, Hes Kablo, Kavel and Turktelefon. Today, most cable needs, including fiber-optic links,

can also be supplied internally.

Turkish telecoms have been at the forefront of assistance for the new Turkic republics in the trans-Caucasus region and Central Asia in the former Soviet Union. Late last year, television-satellite ground stations, telephone exchanges and other communications facilities were switched on by the PTT in Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Azerbaijan as part of a program valued at \$150 million. The program includes cables, switching equipment, personnel and personnel training, with a medium-term objective of installing 100,000 lines for the leading cities of the republics.

**CERAMICS AND GLASS**

Ceramics are one of Turkey's oldest and best-known products, with famed Iznik antiques fetching record prices in auctions around the world. Commercial production started in the 1960s, and now the sector produces nearly 650,000 tons of

products every year. These products range from tableware and giftware to sanitary ware and floor and wall tiles. In the first half of the decade, the sector is expected to grow annually by 9 percent, accompanied by a 16-percent rise in export sales.

Glass production satisfies domestic demand, with about 25 percent left over for export. The industry is dominated by Sisecam, whose 23 operations make all of Turkey's flat glass, 80 percent of glass containers and 60 percent of glass housewares

**CEMENT**

In terms of cement output, Turkey is ranked 12th in the world and fifth in Europe, excluding the CIS. The sector has a total of 41 cement plants with an annual capacity of 28.9 million tons. Foreign companies like France's Société des Ciments Français and Lafarge Coppee have been attracted to the sector be-

cause of its export potential and the steady demand created by the rapid construction of housing and infrastructure since the mid-1980s. Domestic demand is expected to grow annually at a rate of 7.5 percent until 1995, when the sector's capacity will have increased to around 40 million tons.

Privatization has been especially successful in the cement sector, since the Public Participation Administration (KOP) started selling off 17 state-owned factories in 1989. With only one plant left, the public sector's share of cement output has fallen from 11.6 million tons to 3.4 million tons annually.

**DEFENSE**

Turkey has made impressive progress in developing its indigenous defense-manufacturing industry. In 1985, the defense-industry undersecretariat (SSM) was established to administer the \$10 billion program, which was spearheaded by a \$4 billion program to make F-16 fighter jets under license from the United States' General Dynamics. Since its inception, the program has progressed along a multidimensional path to make Turkey both a buyer and seller of weapons systems. The first production run of 160 aircraft is nearly complete, and a second has already been lined up for the high-tech complex operated by Turkish Aero-

space Industries (TAI) at Muratlı, outside Ankara. The project will be financed by a \$3 billion fund to which Saudi Arabia and Kuwait have made munificent pledges in gratitude for Turkey's help during the Gulf War.

Muratlı is also making transport aircraft and will probably manufacture around 50 Black Hawk helicopters under license from the United States' Sikorsky Aircraft. After the F-16 program came large contracts with Western companies and their domestic partners for the local manufacture of training aircraft, armored personnel carriers, Stinger missiles, avionics for the F-16s, battlefield-radio

sets, mobile radars and multiple-launch rocket systems.

This year, the SSM hopes to award contracts for a low-altitude air-defense system and the modernization of F-4 and F-5 fighters. Other projects being appraised include plans for an advanced industrial-technology park and airport, development work on a Stinger fire-control system and the modernization of the domestic munitions industry.

Early in the next century, the funding from Saudi Arabia and Kuwait could lay the basis for cooperation with them in the development and production of an advanced jet trainer.

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# SPORTS BASKETBALL

## Knicks Hold Off Bulls to Take 2-0 Series Lead

By Clifton Brown  
New York Times Service  
NEW YORK — With the Chicago Bulls mounting a furious comeback in a crucial playoff game, John Starks made a spectacular dunk, Charles Oakley dominated both backboards, and the New York Knicks remained masters of Madison Square Garden, where they have won 27 straight games.

Taking another step toward dethroning the two-time National Basketball Association champions, the Knicks outwitted the Bulls, 96-91, in Game 2 of the Eastern Conference championship series on Tuesday night. That gave New York a 2-0 lead in the best-of-seven series. And it gave the Bulls plenty to think about before Game 3 on Saturday afternoon in Chicago.

Once again, the Knicks' front line dominated, outbounding the Bulls, 45-34. Once again, Michael Jordan, who got 36 points by making 12 of 32 shots, faded late in the game. He made just five of 16 in the second half after a 22-point first half. And once again, New York's multidimensional defense controlled the Bulls' two-dimensional offense.

"We had a 14-point lead, they came back, but we weathered the storm," said the Knicks' coach, Pat Riley. "We're up 2-0 going to Chicago, and that's what we wanted. I think our team's confident. We held service, now the pressure does revert to them."

It got hairy for the Knicks late, after they had led by 14 points at the start of the fourth quarter, and who still led by eight with four and a half minutes to play.

But with score 91-88, Patrick Ewing (26 points, 10 rebounds) threw a lead pass to Doc Rivers (21 points) who threw the ball off the backboard trying to save it. Oakley (14 points, 16 rebounds) rebounded, but Ewing missed a jumper, and Oakley fouled Bill Cartwright going after the rebound.

But Cartwright missed both free throws with a minute left. Then Starks made his memorable dunk. A la Jordan, with a ferocious left-handed slam.

Starks almost stole the ball from Jordan on Chicago's next possession, but knocked it out of bounds. Then Jordan missed a 3-pointer from the top of the key, grabbed his own rebound, but missed a left-handed lay-up on which he was bothered by Ewing. But Doc Rivers fouled Cartwright on the rebound. Cartwright made both free throws and it was 93-90.

Then Oakley almost made a major mistake, throwing a wild pass against the Bulls' press, the ball sailing over Rolando Blackman's head and out of bounds with 23 seconds to play.

Jordan drove around Starks at the foul line, went into the middle and passed to Cartwright, who almost got a lay-up while being fouled by Rivers with 15.3 seconds to go. Cartwright made the first foul shot, but missed the second, and the Bulls were two back.

Oakley grabbed the rebound, and was fouled by Horace Grant. Oakley made both free throws, for a 95-91 lead. And when Jordan missed a 3-pointer with 10 seconds left, Oakley rebounded and added a free throw left to the delight of the deafening, towel-waving crowd.

Not only did the Bulls lose the game, they lost their poise. Scottie Pippen, the All-Star forward who had scored 17 points, was ejected with 7:34 left for throwing the ball at a referee, Bill Oakes, after being called for a foul. First Pippen held the ball after the call, then he tossed it at Oakes in disgust and was ejected immediately.

The Bulls already trailed by 11 points, and without their second-leading scorer, their slim chances of coming back got even slimmer.

"I think the referee overreacted," said the Bulls' coach, Phil Jackson. "It should have been a technical, but certainly not an ejection."

Jackson was so critical of the Knicks' physical play.

"I think it makes anyone angry that likes basketball as a sport," he said. "It's not a wrestling match."

Yet the Bulls mounted a late rally, which included a bizarre play on which New York point guard Greg Anthony was ejected for a flagrant foul against Jordan. It happened with 4:15 left in the game, when Jordan drove to the basket and was met by Anthony who hooked Jordan hard to the head with his left arm. The blow did not knock Jordan off his feet, but it was enough to send Anthony to the locker room.

"I thought that was totally uncalled for, and if I had my chance, I would've retaliated," Jordan said. "But I didn't want to get kicked out of the game."

Anthony was ejected for a flagrant foul against Jordan. It happened with 4:15 left in the game, when Jordan drove to the basket and was met by Anthony who hooked Jordan hard to the head with his left arm. The blow did not knock Jordan off his feet, but it was enough to send Anthony to the locker room.

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Michael Jordan, who made just five of 16 shots in the second half, had one blocked by Charles Smith.

## The Bulls' Feet of Clay

By Michael Wilbon  
Washington Post Service  
NEW YORK — Sometimes it becomes clear in the very first game, sometimes not until the final minutes of the last game. But there comes a time in every NBA playoff series when one team knows it's better and shows it. That's what the New York Knicks did Tuesday night. They showed that at this point, two games into the Eastern Conference final, they are the better team. It's up to the Chicago Bulls, if they're up to it, to prove otherwise.

The Knicks, so far, have been a better defensive team, a better offensive team, a better coached team, a smarter team, and an astonishingly better rebounding team. Their frontcourt has been dominant, their bench has been definitely better, and — I never thought I'd write this sentence — their guards, while not as spectacular, have been better. Through two games, John Starks has played better when it counts than Michael Jordan.

The Bulls have been outstuffed for loose balls, outworked on the boards, out-thought in critical moments when smarts make a big difference.

What about these two-time champions? Forget the frantic comeback; it didn't work, and wouldn't have been necessary had the Bulls played like champions in the first half instead of whining about every call that didn't go their way. Phil Jackson, a wonderful coach to be sure, spent so much time moaning like some second-rate bench jockey that he apparently failed to notice that his power forward, Horace Grant, was too injured to play effectively, and that since B.J. Armstrong and John Paxson weren't being passed the ball, there was a guy on his bench — Darrell Walker — who might actually have slowed John Starks and Doc Rivers.

Some things you don't need to wait seven games to see, or even four. What was seen Tuesday night in Madison Square Garden was the unraveling of a champion. If the Bulls don't pull it together, they'll be looking at the title of "former champion." Losing the game was so bad, the series moves back to Chicago for games Saturday and Monday. Losing poise is bad, losing control is inexcusable, losing nerve is worse yet.

And that brings us to Scottie Pippen. Talk about your all-time bonehead moves. We've always known Pippen to be a soft, a player who can be intimidated by less talented players, a Dream Teamer by association only. But we didn't know he was stupid enough to get himself thrown out of a conference championship game with his team down 10 with seven minutes left. Pippen's answer to a double-dribble violation was to throw the ball at the referee, Bill Oakes.

So where was Chicago's second-best player when his team needed him most, when everybody else was cutting a 14-point deficit to three with a minute to play? In the locker room, probably sulking, which is what he does best. You want to know why Michael Jordan may finish his career as the greatest player of all time? Because he's won two championships with this goofball as his sidekick. There are two guys on the Chicago Bulls: Jordan and Pippen. And one of them took a walk.

Three years ago, Pippen came up with the infamous headache in Game 7 in Detroit. Jordan, who talked before that game about Pippen not wanting to do what it takes to be a great player, is not likely to have changed his mind.

And even Jordan isn't without blame. At the start of the game, he was downright selfish, taking shots he shouldn't have. Armstrong, the league's best 3-point shooter, didn't score in the first half because he didn't get a shot. When Jordan had outscored Starks, 25-2, by halftime, you have to think he'd have enough of this macho revenge thing. But he didn't. And the fact that Grant, the second best offensive rebounder in the league, can barely move because of a severely sprained ankle, meant the Bulls had nothing inside. It meant Charles Oakley, the man the Bulls traded to the Knicks for Bill Cartwright, and to give Grant more playing time, finished with 14 points and 16 rebounds in a bit of sweet irony.

Cartwright, while we're talking about irony, missed three free throws down the stretch that might have put his team in a position to steal a game it shouldn't have been in position to steal.

Now, you might say the Knicks looked a little shaky heading for the wire, that they coughed up a lead and haven't proven anything yet. But you'd be ignoring the facts.

Jordan scored 36 points, but only 11 in the second half. He wasn't off, he was stopped. By Starks. Coming into this game, Jordan had made only 33 of his last 100 shots in Madison Square Garden. In this series, he's made only 22 of 59. We're seeing something fascinating here, a minor league alum beating Michael Jordan in crunch time. The fadeaway jumper Starks sank over Jordan with time running out on the shot clock, to put the Knicks up by 75-63, is the kind of success that takes a kid like Starks from "I think I can," to "Hell, I'm taking this guy!"

So, at the moment, the Bulls have nobody like Oakley ready to die inside for a rebound. They have nobody like Rivers to take a few stitches going for a loose ball. They have nobody like Pat Riley to make cool, rational decisions. They have nobody, not yet, like Starks to make a critical play down the stretch. They've got a lot of frustrated, impatient, whining players, including one particularly thoughtless hothead, and they're losing, two games to none. To a better team.

### SCOREBOARD

#### Major League Standings

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Toronto	28	16	.636
New York	25	20	.556
Boston	24	21	.529
Milwaukee	18	24	.429
Cleveland	18	26	.409
West Division			
Chicago	24	18	.571
California	23	19	.548
Seattle	22	21	.512
Kansas City	21	21	.500
Minnesota	20	22	.476
Oakland	18	24	.429
Minnesota	16	26	.381

NATIONAL LEAGUE			
East Division			
Team	W	L	Pct.
Philadelphia	23	17	.574
Montreal	22	20	.524
St. Louis	21	21	.500
Chicago	21	21	.500
Pittsburgh	21	21	.500
Florida	19	23	.452
New York	14	29	.326
West Division			
San Francisco	31	15	.674
Atlanta	27	19	.588
Houston	23	23	.500
Los Angeles	22	22	.500
Cincinnati	18	26	.409
San Diego	17	27	.385
Colorado	13	32	.292

#### Tuesday's Line Scores

Team	Score
Texas	92-81
Cleveland	81-80
Lehrandt and Rodriguez	Cook, Power (9)
Ortiz, W-Labrando, S-2, L-Cook, S-2	
HR-Texas, Conley (8)	
Boston	100-80
Detroit	100-81
Viola, Bankhead (8) and Perez, Wells, Hernandez (9) and Kremer, W-Wells, 6-1	
HR-Viola, 4-4, S-W-Hernandez (10), HR-Detroit, Fielder (9)	
Milwaukee	81-80
Wickman	201-80
Wickman, Fellers (8) and Kinn, Larkin (8)	
HR-Wickman, 2-2, S-W-Hernandez, 3-8	
New York	80-81
Moyer, Mills (7) and Hales, Wickman, Felt (9) and Stanley, W-Wickman, 3-8	
HR-Moyer, 2-2, S-W-Felt (10), HR-New York, Kelly (7)	
Kansas City	80-81
Chicago	80-81
Pichardo, Sopen (7), Brewer (7), Gordon (7), Montgomery (9) and Mackenzie, McDowell and Pike, Karlovic (8), W-Gordon, 3-1, L-McDowell, 7-3, S-Montgomery (12), HR-Kansas City, Jovine (4), Gonsky (2)	
California	80-81
Finley, G. Nelson (7), Frey (9) and Myers, Orton (8), Leary, Nelson (7), Power (8) and Valle, W-Finley, 4-1, L-Leary, 3-2, Frey (7), HR-California, Polonia (1), Seattle, Blowers (3)	
Minnesota	81-80
Oakland	110-80
DeShazo, Hartler (7), Guthrie (7), Willis (7) and Horner, S. Davis, Nemes (7), Eckstein (9) and Steinback, W-S. Davis, 1-4, L-D-	

#### NATIONAL LEAGUE

Team	Score
San Francisco	81-80
Atlanta	81-80
Houston	81-80
Los Angeles	81-80
Cincinnati	81-80
San Diego	81-80
Colorado	81-80

#### Japanese Leagues

Team	Score
Yokohama	2-0
Hiroshima	2-0
Chunichi	2-0
Yokohama	2-0
Hiroshima	2-0
Chunichi	2-0

#### HOCKEY

Team	Score
Los Angeles	2-0
Toronto	2-0
Los Angeles	2-0
Toronto	2-0

#### BASKETBALL

Team	Score
Chicago	96-91
New York	96-91
Chicago	96-91
New York	96-91

#### TRANSACTIONS

**AMERICAN LEAGUE**  
BALTIMORE—Sent Mark Leonard, outfielder, to Rochester, IL. Recalled Paul Curry, first baseman, and Lennox from Rochester. Put Sherman Obando, outfielder, on 15-day disabled list.

**NATIONAL LEAGUE**  
ATLANTA—Called Tony Toranzo, outfielder, to Richmond, IL.  
CINCINNATI—Put Steve Foster, pitcher, on 15-day disabled list. Called on Bobby Ayala, pitcher, from Indianapolis, IA. Named Bobby Valentine, third base coach, and Ray Knight, bench coach. Traded Travis Buckner, pitcher, to Seattle for Charles Smith, first baseman.  
COLORADO—Activated Fred Benavides, shortstop, from 15-day disabled list. Put Vinny Castilla, infielder, on 15-day disabled list. Sent Woody Williams, pitcher, to Syracuse, IL.  
FLORIDA—Signed Kevin Easler, infielder, to minor-league contract, and called him to minor-league camp. Sent Travis Turnbull, pitcher, to minor-league contract.  
NEW YORK—Named Bobby Wine coach, recalled Paul Giamber, pitcher, from Norfolk, IL. Put Jeff Kober, pitcher, on 15-day disabled list.

### DENNIS THE MENACE

HOW COULD YOU THINK THEY'D EVER LET YOU BE A JUDGE ON THE SUPREME COURT?

### PEANUTS

YOU CAN'T EVEN DECIDE IF YOU'LL HAVE YOUR SUPPER IN THE RED DISH OR THE YELLOW DISH...

### BLONDIE

I'M GARGLING WITH ROOT BEER TO KILL THE TASTE OF THE MOUTHWASH.

### BEEBLE BAILEY

THE CAPTAIN DOESN'T WANT YOU EATING AT THE TABLE ANYMORE, OTTO.

### DOONESBURY

I'M SORRY, MONDIE, I KNOW I DIDN'T MEAN TO SNEAK INTO YOUR HOUSE, BUT YOU'VE...!

### CALVIN AND HOBBES

TODAY FOR SHOW AND TELL, I'VE BROUGHT IN SOME FLASH CARDS I MADE.

### WIZARD OF ID

THIS WOMAN IS A PSYCHIC.

### REX MORGAN

THIS SHOULD CLEAR UP OUR BILL. SPIRO THANKS FOR BEING PATIENT.

### WORD GAMES

**ROGAC**  
A HUMAN WHOSE WORK REQUIRES HIM TO SWEEP THINGS QUICKLY.

**FINEK**  
A MAN WHOSE WORK REQUIRES HIM TO SWEEP THINGS QUICKLY.

**TIPPEC**  
A MAN WHOSE WORK REQUIRES HIM TO SWEEP THINGS QUICKLY.

**TINKTE**  
A MAN WHOSE WORK REQUIRES HIM TO SWEEP THINGS QUICKLY.

Answer here: A \_\_\_\_\_ (Answers tomorrow)

Answers: PROVE FETID HELLIZ CRONCH  
Answer: The boy's smooth line finally got him PROVED IN

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### CHANGING YES

I KNOW I'M NOT THE SLEEK HARBOURDOG YOU'RE USED TO, BUT...

### STILL, WASH IT

YOUR STILL BELIEVING, AREN'T YOU, MINE?

### IT WAS GREAT GROWING UP

MY FRIENDS WERE FARM ANIMALS.

### EVER TICKLE A HOG?

CAN I GO NOW?

### EVER TICKLE A HOG?

CAN I GO NOW?

### EVER TICKLE A HOG?

CAN I GO NOW?



ART BUCHWALD

A Medical Wish List

WASHINGTON — There's no doubt that the government is going to become involved with health care. The only question is how medical decisions be made in order to carry out the wishes of Congress?

As someone who has had a 50-year-old line set in Washington observing bureaucracy at work, I am not certain that the program will be as simple as its proponents claim.



Buchwald

This is my scenario: After administering nuclear waste proposals for the Department of Energy, Thelma and Louise have now been transferred to the watchdog division of the Reduction in Medical Bills Agency.

"You can't authorize payment until the doctor submits a 1094C swearing to the seriousness of the break and tells us how much plaster he plans to use to set the leg. If he intends to mix more than is allocated under Guidelines L, Sub-Paragraph 45, he must apply for a 932. Where is the patient now?"

"Why don't you just O.K. it?" Thelma says, "I would expect the law states that only one member of a family can have a bone set in any given year. This patient's second cousin broke her hip in January so that makes him ineligible."

"That's a pity," Louise replies. Thelma tells her, "The patient can always appeal to the Broken Limb Appeals Court under Article 7."

Louise starts to read a folder on her desk. "Thelma, do you know anything about artificial knee replacements?" "Quite a bit. What seems to be the problem?" "This patient wants us to pay for his knee operation, but he can't find a doctor who will agree to do it at our rate schedule of \$84. He wants to know if there is any way we can approve it."

N. Y. Art Gallery Sued by Greece

NEW YORK — The government of Greece, seeking the return of rare Mycenaean gold jewelry and ornaments from the 15th century B.C., has filed suit against a New York art gallery.

Louise says, "Here is someone who's mad because he had a kidney stone attack in March and we still haven't notified the doctor if we would pay for painkillers. He says that he's been climbing the wall."

15 Minutes About Fame by the Famous

By William Grimes

New York Times Staff

NEW YORK — In addition to nuclear weapons and a slumped-down ozone layer, the 20th century has brought the world a new kind of fame. It's faster, it's broader and it's shallower. It's the kind that's responsible for Elvis sightings, the "Gerald" show and the idea that "superstar" is a valid career goal.

As the year 2000 approaches, fame itself is becoming famous. Who better to discuss the dynamics of fame in the 20th century than seven famous people, who gathered at the Joseph Papp Public Theater for what the panel's moderator, Clive James, promised would be "a sharply contested yet sharply symposium?"

The subject was too big to tackle head-on. Although panelists agreed with Smith when she laid down the principle that being famous is not something you can do alone, no unified field theory of celebrity in this century had emerged by the evening's end.



From left, Harold Evans, Ivana Trump and Liz Smith, and Norman Mailer: Reviewing the climate of celebrity.

they were out there doing it, I didn't have to. For most of the evening, the subject of fame was illuminated in brief flashes and witty asides. Evans, introduced by James as "a man so powerful he is rumored to have access to Tina Brown without going through her secretary," recalled an occasion when he left a Manhattan restaurant and stepped into a white stretch limousine, exciting the curiosity of a group of teenagers. They stepped up to the car, peered in the window and shouted in dismay: "You're a nobody! You're a nobody!"

Wintour took her assignment seriously. In her opening statement, she traced the rise of fashion designers and models from serfdom to celebrity over the past 40 years. The turning point, she said, was the mass-marketing of the English fashion designer Mary Quant in the '60s. Twigg followed, ushering in the era of the supermodel. Once models set a foot in fame's door,

hairdressers and photographers followed. Their restaurant owners and chefs. The trend lines converged at Studio 54, which, Wintour said, "legitimized the idea of being famous for being famous, and linked fame with fun."

Mailer, surprisingly, claimed amateur status in the discussion. "I don't know a great deal about the subject," he said. "I've lived with it, but I don't have the answers, which is good, because if you have all the answers, then you get mad if you can't speak all night."

Fame is "a dull business," he said, "a cocktail party at which there are no drinks." But its allure is undeniable. In a world that is growing uglier, blander and more austere, fame offers hope. "It gives the illusion that somewhere, life is exciting and glamorous," he said.

Not all celebrities are having fun. Most of them are complaining. Smith said she was sick and tired of the whining. "It starts as soon as they get famous," she said. "They say they feel separated from the common herd, which is what they wanted in the first place."

In general, Smith approved of fame. "There's nothing ennobling about obscurity," she said, and then turned to her right. "You believe that, right, Ivana?"

Trump represented an intriguing case study in contemporary fame, a money-lined American version of the royal drama

PEOPLE

Diana's Mystery Date? 'Twas a Speech Coach

A mystery man who caused a stir in Britain's tabloid press after being spotted on a lunch date with Princess Diana was named on Wednesday as a soap opera actor who has been giving her lessons in public speaking, Peter Settle, 42, has appeared in several popular television programs, including "Coronation Street," a long-running soap opera about working class life in northern England.

Richard Benjamin, filming his comedy "Made in America" in Oakland, California, with Whoopi Goldberg and Ted Danson, catered to animal-rights activists by building a pool rather than using an existing lake for a scene with an elephant. Putting herbicides in the Lake Merritt to make it safe for the elephant would have required a year's worth of environmental studies.

A judge in French Polynesia has decided to drop charges against Marlon Brando's daughter Cheyenne for complicity in the killing of Dag Drollet, her companion and father of her child. The instructing magistrate Jean-Bernard Tallero said in his ruling that three years of investigation had failed to uncover proof of Cheyenne's complicity in Drollet's shooting death at Brando's Los Angeles home in 1990. Cheyenne has suffered from severe depression and has twice attempted suicide.

Clothing added to naked figures in Michelangelo's "The Last Judgment" will remain in place, restoration officials at the Vatican's Sixtine Chapel said. The decision ends years of passionate debate about the veils and shorts painted by the guardians of the 16th century fresco soon after the painter's death. A restorer said the decision "took into account" a decision by the Council of Trent, which met three times between 1545 and 1563. It ignored a resolution in the European parliament demanding that the clothing be removed.

INTERNATIONAL CLASSIFIED Appears on Pages 15 & 16

WEATHER

Forecast for Friday through Sunday, as provided Accu-Weather

Table with weather forecasts for Europe, Asia, Africa, North America, South America, Middle East, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.



Table with weather forecasts for Asia, Africa, North America, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

Table with weather forecasts for North America and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

CROSSWORD

© New York Times, edited by Eugene Malachuk

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of May 26.

Down crossword puzzle clues and grid.

DR. HAGGARD'S DISEASE

By Patrick McGrath. 191 pages. \$20. Poseidon.

Reviewed by Katherine Dunn

PATRICK MCGRATH is a deceptive devil. His machinations are disguised in luscious language and focused story, but his intentions are never innocuous. An Englishman at home in the United States, he has been labeled by certain cognoscenti as "Post Modern," meaning, apparently, that he uses traditional forms in a fresh way.

lures us into deeper regions of darkness. "Dr. Haggard's Disease" presents itself as a simple, though horrific, tale ornamented by emotional spires and psychological carvings. But this is McGrath's engaging old-fashioned emouffage for an irony as precisely engineered as the optical illusions of an Escher drawing. What begins as a Lazarusian resurrection of the Gothic romance twists in McGrath's hands and takes on even stranger forms — not just readable but engrossing, and as neurotic as a self-devouring snake. The place is England in the early days of World War II. The tone is Edwardian. The dreary settings smack deliciously of late-night Sherlock Holmes on a black-and-white TV. Young, idealistic Doctor Ed-

ward Haggard is exhausted to the point of hallucination by his grueling residency in a London hospital. Surrounded by pain and death, questioning his own ability, he is mesmerized and willingly seduced by an older woman, the sophisticated wife of the senior pathologist. Haggard is transfixed by Mrs. Vaughn's tearing declaration, "Fascism is very serious. It's the best we're capable of, civilized human beings." The phrase becomes his anthem.

The cuckoo, Ratcliff Vaughn, lifts his nose from the corpse gus long enough to notice what's going on and cripples the moon-eyed lethario. Haggard, in permanent pain from his injuries, plunges into profound morphine addiction. The wandering wife rejects her damaged lover. Grieving, he limps off to a tiny town on the English Chan-

BOOKS

The novel's shape is of Doctor Haggard telling his story to the son. The doctor's voice rises and falters, croons and rants with passion. He is a tender, self-deprecating character, and his description of the heights and depths of his doomed

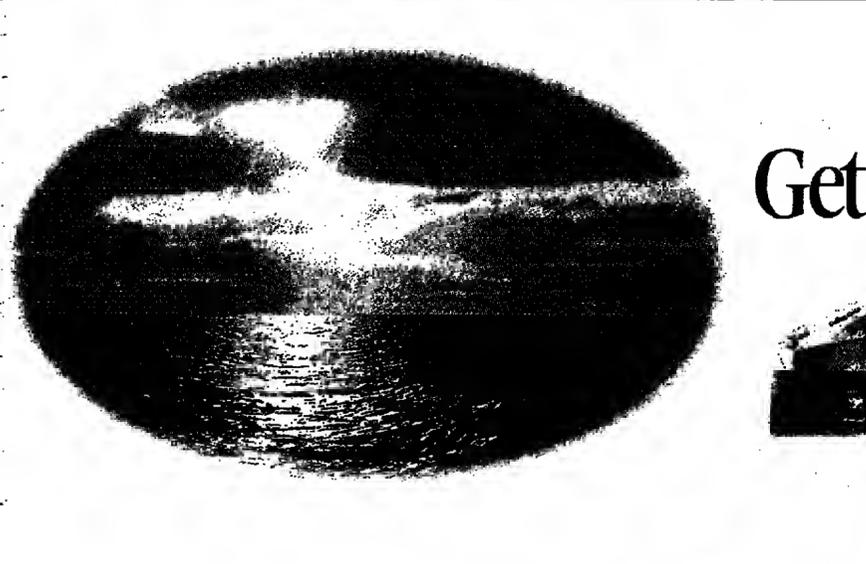
romance strike chords of recognition for all who have survived the violence of a teenage crush. But McGrath, the animator of this tortured buffoon, is a master of the unreliable narrator. Sympathize though we must with poor Hag-

gard, a gradual accumulation of contradictory information builds in the reader's mind. The pathologist husband is a monster in Haggard's eyes, but is he really evil? Is he even unpleasant? Is the wife actually abused and miserable? What does she suffer but boredom, the plushly upholstered angst of the comfortably idle?

Haggard refuses to see her as anything less than perfect: "She possessed a grace of spirit and was as incapable of vulgarity as I believe any human being can be." Yet some of her behavior described by the good doctor as divine, is cheerfully, justly trashy.

And the husband's reaction — that single punch in the chops of the man who is, after all, having an affair with his wife, is relatively restrained. But its effect is massive.

Katherine Dunn, whose novel "Geek Love," was a finalist for the 1989 National Book Award, wrote this for The Washington Post.



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